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NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 7 No. 1
January-February 1986

The New Mexico Economy 1985

National Economy

The U.S. economy in 1985 was mired in a "growth recession" with growth in real gross national product at 2.3 percent which compares to a strong 6.6 percent growth rate in 1984. During the year, policy actions were taken on the nation's twin deficits: on the trade deficit that stems from a powerful dollar and on the huge federal budget deficit. U.S. personal income rose 5.9 percent during 1985. Inflation was relatively mild as the consumer price index increased 3.6 percent for the year. Interest rates fell dramatically, rallying a bullish Wall Street and spiraling the stock market to record highs. Tax reform fell out of favor, at least for 1985, as Washington dealt with more pressing issues. Business spending on new plant and equipment contributed strongly to gross national product. However, industrial growth wilted as Americans, despite personal income gains and free spending, purchased imported goods. Still, rapid employment growth in services provided the economy with momentum and consumers with purchasing power. The Federal Reserve assisted growth with an expansionary monetary policy during the year and thus staved off a credit clash among private and public sector borrowers.

New Mexico Economy

New Mexico's economic growth tapered off during 1985, as the economy experienced modest growth in the first half of the year, but a slow second half with activity stalling statewide except in Albuquerque. Total nonagricultural employment in 1985 grew at a 3.0 percent rate compared to 4.9 percent in 1984. The state unemployment rate, meanwhile, increased from 7.5 percent in 1984 to 8.8 percent in 1985.

New Mexico experienced slower economic growth in its mining, manufacturing and construction sectors. The plunging price of oil, international commodity competition, and the strong dollar all impacted the state's mining and manufacturing sectors. Moderate employment gains occurred in trade and services, but growth was slight in the large government sector. Personal income growth, now expected to increase 6.3 percent, weakened throughout 1985 because of less employment growth, small wage gains, and lower interest rates that affected interest income. Albuquerque, in contrast to the state's performance, had a construction boom and rapid growth in retail trade and services, which, despite laggard manufacturing and government sectors, kept the city humming apace of the state with a respectable 5.4 percent growth in nonagricultural employment in 1985.

The state's income sensitive sectors, retail trade and services, trailed off in activity, corresponding to the decline in personal income growth. Overall trade employment growth was 4.5 percent during 1985 compared to 6.1 percent in 1984, with a 2.7 percent gain for wholesale trade and a 4.9 percent increase in 1985 for retail trade. Albuquerque showed a 6.6 percent employment gain in retail trade as more strip shopping centers were developed and more discounters entered the city.

Albuquerque and the state also diverged in construction activity with the city experiencing a boom in office buildings, hotel, and single and multi-family housing projects. Construction employment in the rest of the state fell 10.4 percent due to completion of capital projects for prisons and offices and the end of modernization in the copper industry. Thus, all growth in construction occurred in Albuquerque where employment grew 16.8 percent. Statewide, authorized units for single family houses dropped 10.1 percent in 1985, yet authorized units for multi-family dwellings landslided 45.8 percent from the previous year.

Employment in New Mexico's manufacturing sector grew a mediocre 2.2 percent during 1985 with greater growth occurring in durables than in nondurables. The state's textile/apparel and electrical equipment industries had job losses throughout the year. In Albuquerque, the electronics industry also suffered from the export dampening high dollar and from troubles within the industry such as foreign competition and slack demand.

PER CAPITA INCOME[1]
SOUTHWEST AND ROCKY MOUNTAIN REGIONS

	1983	1984	% Change	National Rank 1984
SOUTHWEST	$11,266	$12,213	8.4	NA
Arizona	10,745	11,841	10.2	30
NEW MEXICO	9,628	10,262	6.6	43
Oklahoma	10,880	11,655	7.1	32
Texas	11,590	12,572	8.5	21
ROCKY MOUNTAIN	$11,055	$11,879	7.5	NA
Colorado	12,770	13,847	8.4	8
Idaho	9,444	10,092	6.9	45
Montana	10,050	10,546	4.9	40
Utah	9,021	9,733	7.9	48
Wyoming	11,643	12,224	5.0	27
U.S. AVERAGE	$11,690	$12,789	9.4	NA

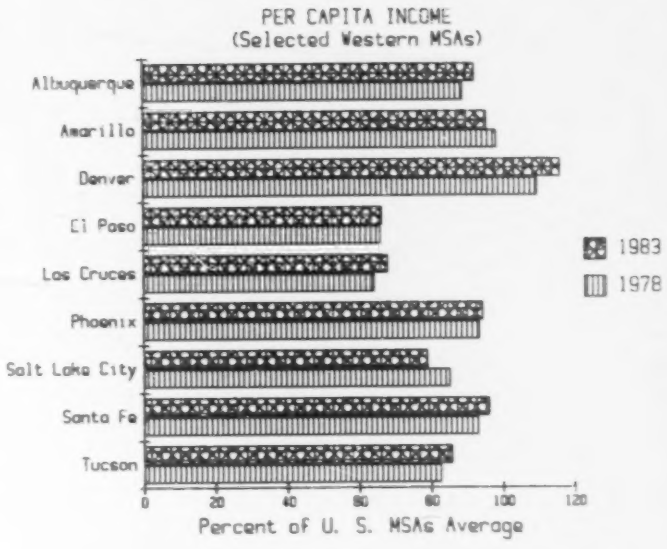
NA Not applicable.
1 By place of residence.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Bureau of Business and Economic Research, Institute for Applied Research Services
The University of New Mexico, Albuquerque, NM 87131
Main Office: (505) 277-2216 Data Bank: (505) 277-6626

PER CAPITA INCOME[1]
SELECTED WESTERN MSAs

	Dollars			% of U.S. MSA Averages		% Change
	1978	1982	1983	1978	1983	1982-1983
ALBUQUERQUE	$7,344	$10,698	$11,520	89.1	92.4	7.7
Amarillo	8,121	11,464	11,924	98.5	95.7	4.0
Denver	9,050	13,917	14,504	109.8	116.3	4.2
El Paso	5,446	7,753	8,290	66.1	66.5	6.9
LAS CRUCES	5,298	7,921	8,485	64.3	68.1	7.1
Phoenix	7,709	11,116	11,779	93.5	94.5	6.0
Salt Lake City	7,031	9,534	9,892	85.3	79.4	3.8
SANTA FE	7,671	11,330	11,998	93.1	96.2	5.9
Tucson	6,813	9,969	10,694	82.7	85.8	7.3
U.S. MSA Average	$8,242	$11,817	$12,466	100.0	100.0	5.5

1 By place of residence.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.



Layoffs at Intel, Signetics, and job losses at Digital and GTE Lenkurt plagued the city's manufacturing scene. These job losses were only partially offset by hiring at Sperry. Thus, manufacturing employment in Albuquerque gained only 2.1 percent in 1985 compared to 5.6 percent growth a year earlier.

New Mexico's government sector had a virtually flat 1.8 percent growth rate in 1985. State government employment grew 3.6 percent primarily due to increased hiring at Los Alamos National Laboratories. No growth occurred in federal employment and local government hiring grew 1.3 percent in the state but declined 0.5 percent in Albuquerque. The city gained some federal jobs and had a 5.0 percent increase in state government employment. However, much of this gain in state government employment was due to student hiring at the University of New Mexico. But in Albuquerque growth in government employment stopped in the year's second half.

The service sector in New Mexico provided the greatest rate of employment growth in 1985 with a 6.3 percent advance for the state, while Albuquerque had a 6.9 percent increase. Business services employment, in particular, grew 8.2 percent in the state and Albuquerque gained jobs at Sandia National Laboratories and BDM. The hotel industry in Albuquerque also experienced a strong 10.0 percent increase in jobs. Meanwhile, health services maintained steady growth in the city with a 4.8 percent increase in employment.

Employment growth in the finance, insurance and real estate sector concentrated in Albuquerque with the city experiencing 6.4 percent growth in 1985, less than the 8.7 percent increase in 1984. Greatest growth occurred among insurance agents and in real estate, associated with lower interest rates spurring high demand in the housing market.

Employment declined a slight 0.3 percent in the transportation, communication, and public utility sector. This sector has been weak during the last two years, reflecting the effects of AT&T's divestiture, job losses in railroads and trucking, and a hiring freeze at the state's major electric utility.

National Outlook

The U.S. economy is at a crossroads with its future direction and strength hinging upon successful policy resolutions. Domestic economic policy appears headed for a switch from the expansive fiscal policy of the past to a restrictive policy, necessitated by federal budget cuts. Monetary policy, which was fairly liberal in 1985, is expected to continue on the expansionary path to offset chops in government spending. But a recent conflict between Federal Reserve Chairman Volcker and Treasury Secretary Baker now makes monetary policy less predictable. Volcker states interest rates have fallen enough for now as he is concerned with inflation. Baker, on the other hand, is less concerned with inflation and calls for a further depreciation of the dollar along with declining interest rates. This would add impetus to manufacturing's export drive, closing the trade deficit gap. A cheaper dollar makes American goods less costly and imports relatively more expensive. The crash in oil prices, (now at $15 per barrel on the spot market) and low inflation are expected to be a boon for the nation's economy, especially for manufacturers and consumers. Yet weak income growth, a high consumer debt ratio, lower interest income and smaller federal transfer payments all will restrain personal income growth. However, the index of leading indicators increased a strong 0.9 percent in December, the eighth consecutive monthly advance; thus, no recession is foreseen in the coming months.

New Mexico Outlook

New Mexico will experience two difficult years in 1986 and 1987 with national economic forces going against the state. Mining in the state faces slack demand brought about by foreign competition and lower world commodity prices, dampening prospects for this industry (except perhaps for a rebound in coal mining). The unexpected fall in oil prices damages the state revenue picture and, moreover, marginal producers will

SELECTED U.S. PRICE AND COST INDEXES
1975 AND 1979-1985
ANNUAL AVERAGES

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
PRODUCER PRICE INDEX, ALL COMMODITIES (1967=100)	174.9	235.6	268.8	293.4	299.3	303.1	310.3	308.8	-0.5
Farm Products	186.7	241.4	249.4	254.9	242.4	248.2	255.8	230.4	-9.9
Food & Feeds, Processed	182.6	222.5	241.2	248.7	251.5	255.9	265.0	260.5	-1.7
Fuels & Related Products & Power	245.1	408.1	574.0	694.4	693.2	664.7	656.8	634.2	-3.4
CONSUMER PRICE INDEX[1] ALL ITEMS (1967=100)	161.2	217.4	246.8	272.4	289.1	298.4	311.1	322.2	3.6
Food	175.4	234.5	254.6	274.6	285.7	291.7	302.9	309.8	2.3
Housing	164.5	227.6	263.3	293.5	314.7	323.1	336.5	349.9	4.0
Medical Care	168.6	239.7	265.9	294.5	328.7	357.3	379.5	403.1	6.2
CONSTRUCTION COST INDEX[2] (1977=100)	89.3	128.8	143.2	151.9	154.2	157.3	163.7	168.3	2.8

p Preliminary.
1 All urban consumers.
2 U.S. Department of Commerce composite.
Source: U.S. Department of Commerce, Business Statistics, and Survey of Current Business, various issues.

stop drilling as their costs rise above world oil prices. New Mexico's General Fund receives a fourth of its funding directly from energy companies, so to make up the shortfall in revenue, taxes were increased $156 million. But the revenue picture can only worsen as energy's role declines. Manufacturing growth, too, will be in the doldrums during 1986 due to a still lethargic electronics industry and to the strong dollar. Yet defense related manufacturing should continue to purr along nicely with its backlog of contracts.

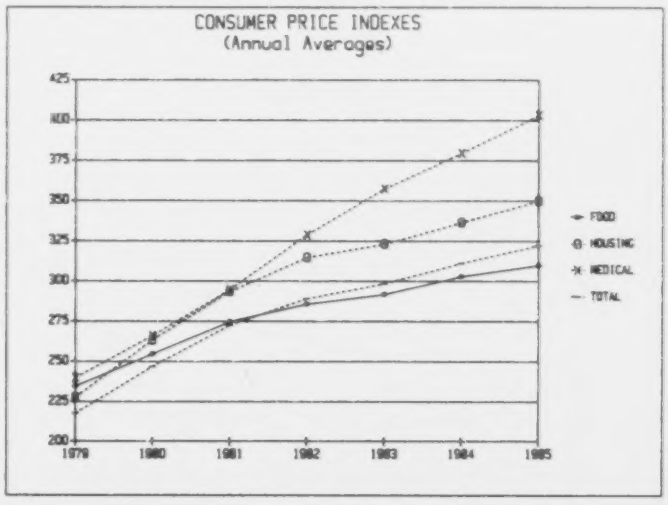
The state's large government sector is expected to remain quite flat, particularly as Gramm-Rudman-Hollings takes effect. Cuts in federal disbursements would occur in local revenue sharing, social services, and even some carving in defense is likely. Impacted local governments would be stretched and would not be in a position to increase employment while state government budget restrictions hamper prospects for employment growth in state government.

Construction activity will again concentrate in Albuquerque, but at reduced levels, as the city's office vacancy rate climbs while office space absorption stays the same. The multifamily market is also overbuilt, again indicated by a high vacancy rate and the proliferation of move-in incentives. The same is true for the overbuilt hotel market. In short, it is a buyer/renter market. Around the state major capital projects have also ended. The bright spot for construction will be the strong single family housing market. Demand will increase as interest rates remain low because more people have qualifying incomes.

Growth in the trade and service sectors are forecasted to diminish in line with slower growth in New Mexico's personal income. With New Mexico personal income expected to increase just 3.6 percent and real disposable income projected to increase a minute 0.3 percent in 1986, this will be a drag on the state economy. Albuquerque personal income is forecasted to gain only 3.1 percent in 1986, nearly half its 1985 rate. Retail trade growth in Albuquerque is out of proportion to personal income growth so in 1986 this disparity should self-correct. Services should experience the same effect with growth in employment equally dour. Expected cutbacks in defense would increase income, and moreover, a weaker multiplier effect would constrain economic growth in New Mexico.

Richard Zimmerman
Economist

(The New Mexico economic outlook is based upon the most recent short-term projections published by the FOR-UNM state econometric forecasting service managed by the Bureau of Business and Economic Research.)

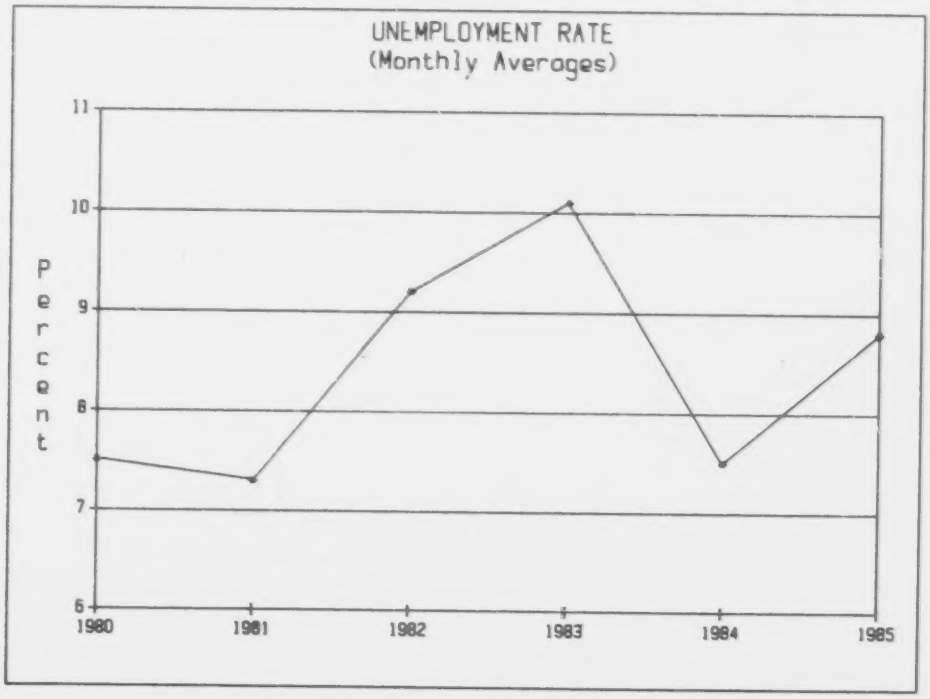


CIVILIAN EMPLOYMENT

TOTAL CIVILIAN LABOR FORCE AND JOBS IN NEW MEXICO*
(Monthly Averages)

	1975	1980[1]	1981[1]	1982[1]	1983[1]	1984	1985[p]	% Change 1984-1985
TOTAL CIVILIAN LABOR FORCE	452,600	562,000	579,000	596,000	609,000	629,000	646,000	2.7
Total Employment	407,100	520,000	537,000	541,000	547,000	582,000	589,000	1.2
Total Unemployment	45,500	42,000	42,000	55,000	62,000	47,000	57,000	21.3
Rate (Unadjusted)	10.1	7.5	7.3	9.2	10.1	7.5	8.8	17.3
NONAGRICULTURAL WAGE & SALARY[2] EMPLOYMENT	370,200	465,400	475,500	473,600	479,500	502,800	518,100	3.0
Manufacturing	28,600	34,400	34,300	34,100	34,400	36,500	37,300	2.2
Mining	20,300	29,400	31,200	26,300	21,000	21,600	20,600	-4.6
Contract Construction	25,200	32,100	33,300	32,100	33,700	36,600	37,000	1.1
Transportation & Public Utilities	23,000	28,300	29,200	29,900	29,500	29,900	29,800	-0.3
Wholesale & Retail Trade	83,600	103,400	106,000	108,300	110,700	117,500	122,800	4.5
Finance, Insurance & Real Estate	16,300	21,100	21,500	21,900	23,200	24,700	25,600	3.6
Services & Miscellaneous	68,300	91,800	94,100	95,500	99,700	106,300	113,000	6.3
Government	104,300	125,000	125,800	125,600	127,200	129,700	132,000	1.8

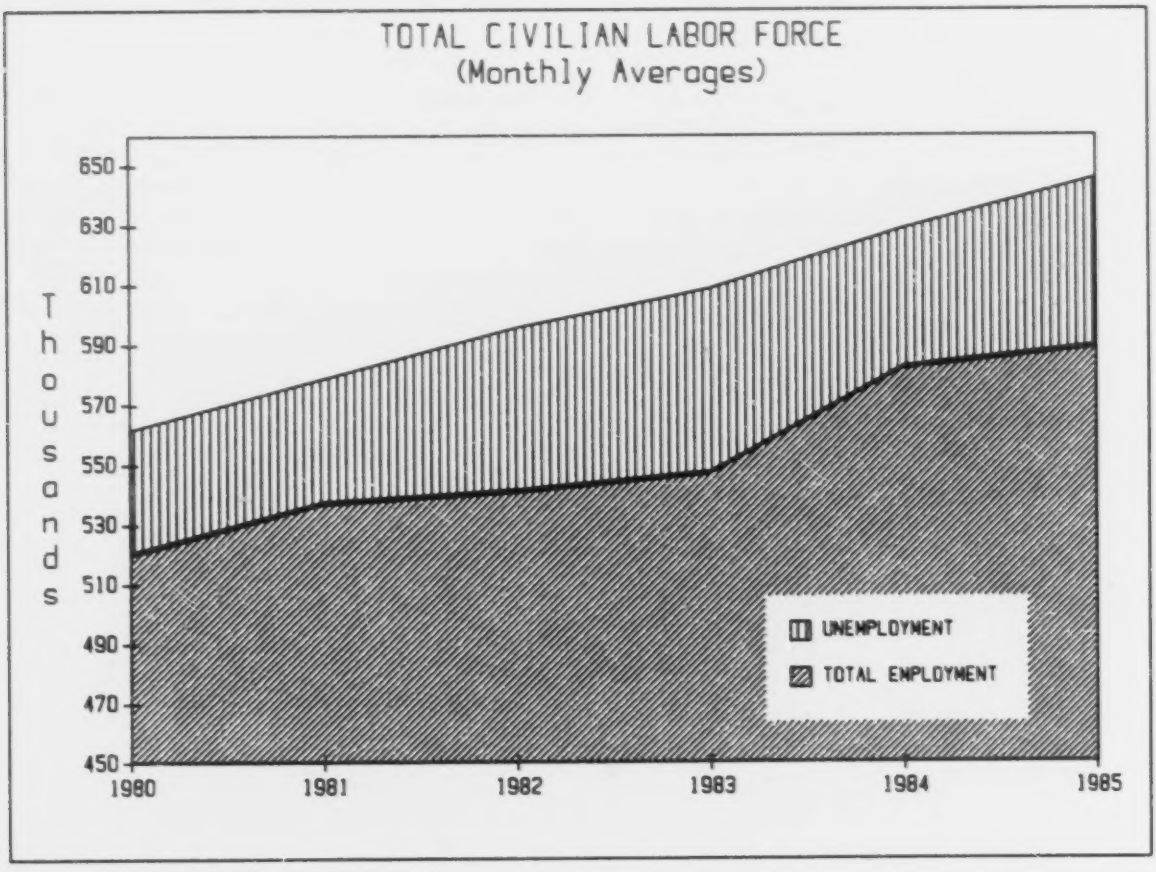
* Detail may not add to total because of rounding.
p Preliminary.
1 Labor force data from 1980 through 1983 are currently being revised by Employment Security Department. Revisions should be available by early April, 1986.
2 Nonagricultural wage and salary employment is not strictly comparable to total civilian employment since double job holders and in-commuting workers are excluded from total civilian employment but included in nonagricultural wage and salary employment.
Source: New Mexico Employment Security Department.



AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Current Dollars)

	1975	1980	1981	1982	1983	1984	1985[p]	% Change 1975-1985	% Change 1984-1985
Mining	$5.66	$9.20	$ 9.90	$11.15	$11.21	$11.50	$11.90	110.2	3.5
Construction	6.75	9.57	10.08	10.60	10.52	10.46	10.64	57.6	1.7
Manufacturing	3.63	5.79	6.54	7.22	7.60	7.98	8.42	132.0	5.5
Durable Goods	3.90	6.24	6.90	7.79	7.77	8.18	8.56	119.5	4.6
Nondurable Goods	3.15	4.96	5.76	6.01	7.21	7.53	8.07	156.2	7.2
Communications & Utilities	5.32	7.72	8.64	9.31	9.94	10.50	11.09	108.5	5.6
Trade[1]	3.90	6.28	6.68	6.82	7.04	6.57	6.65	NA	1.2
Banking	3.02	4.19	4.64	4.97	5.21	5.38	5.54	83.4	3.0

NA Not applicable.
p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Employment Security Department.

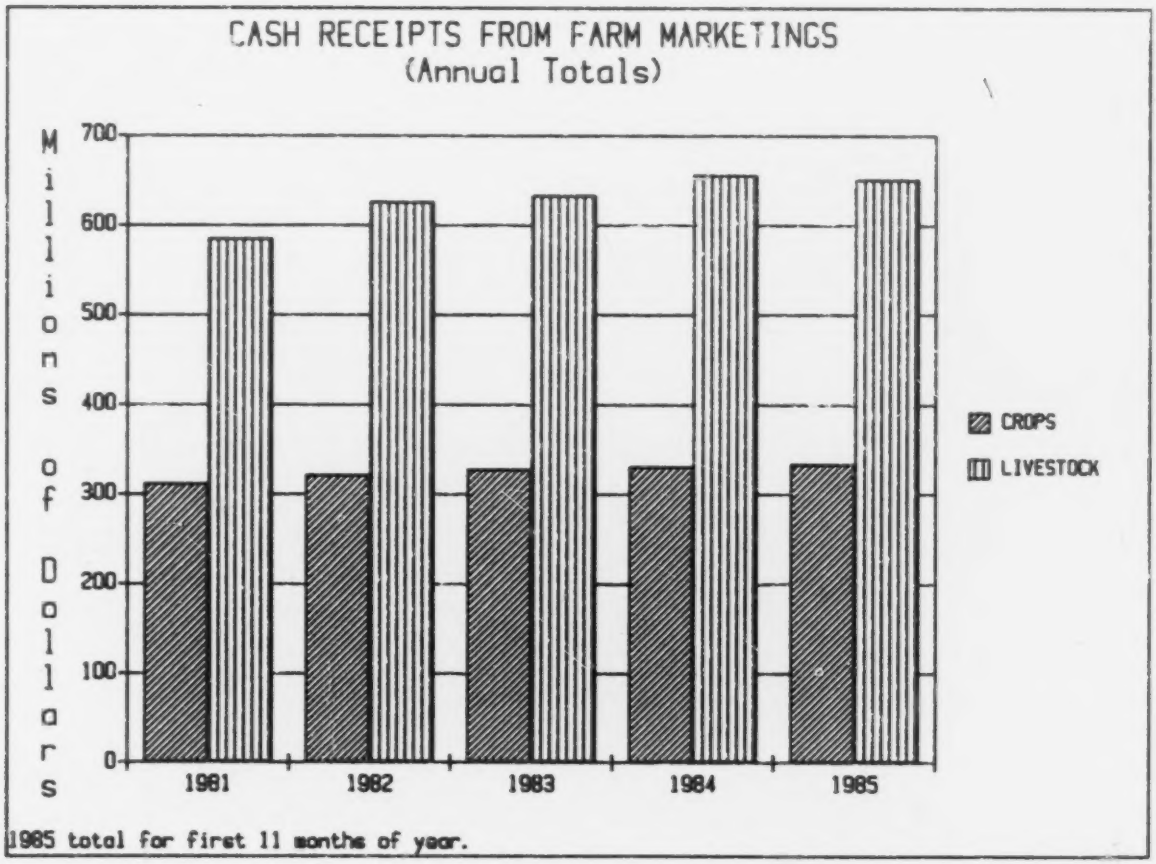


AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Constant 1985 Dollars)

	1975	1980	1981	1982	1983	1984	1985[p]	% Change 1975-1985	% Change 1984-1985
Mining	$11.31	$12.01	$11.71	$12.43	$12.10	$11.91	$11.90	5.2	-0.1
Construction	13.49	12.49	11.92	11.81	11.36	10.83	10.64	-21.1	-1.8
Manufacturing	7.26	7.56	7.74	8.05	8.21	8.26	8.42	16.0	1.9
Durable Goods	7.80	8.15	8.16	8.68	8.39	8.47	8.56	9.7	1.1
Nondurable Goods	6.30	6.48	6.81	6.70	7.79	7.80	8.07	28.1	3.5
Communications & Utilities	10.63	10.08	10.22	10.38	10.73	10.87	11.09	4.3	2.0
Trade[1]	7.80	8.20	7.90	7.60	7.60	6.80	6.65	NA	-2.2
Banking	6.04	5.47	5.49	5.54	5.63	5.57	5.54	-8.3	-0.5

NA Not applicable.
p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Employment Security Department and the U.S. Department of Labor, Bureau of Labor Statistics.

AGRICULTURE

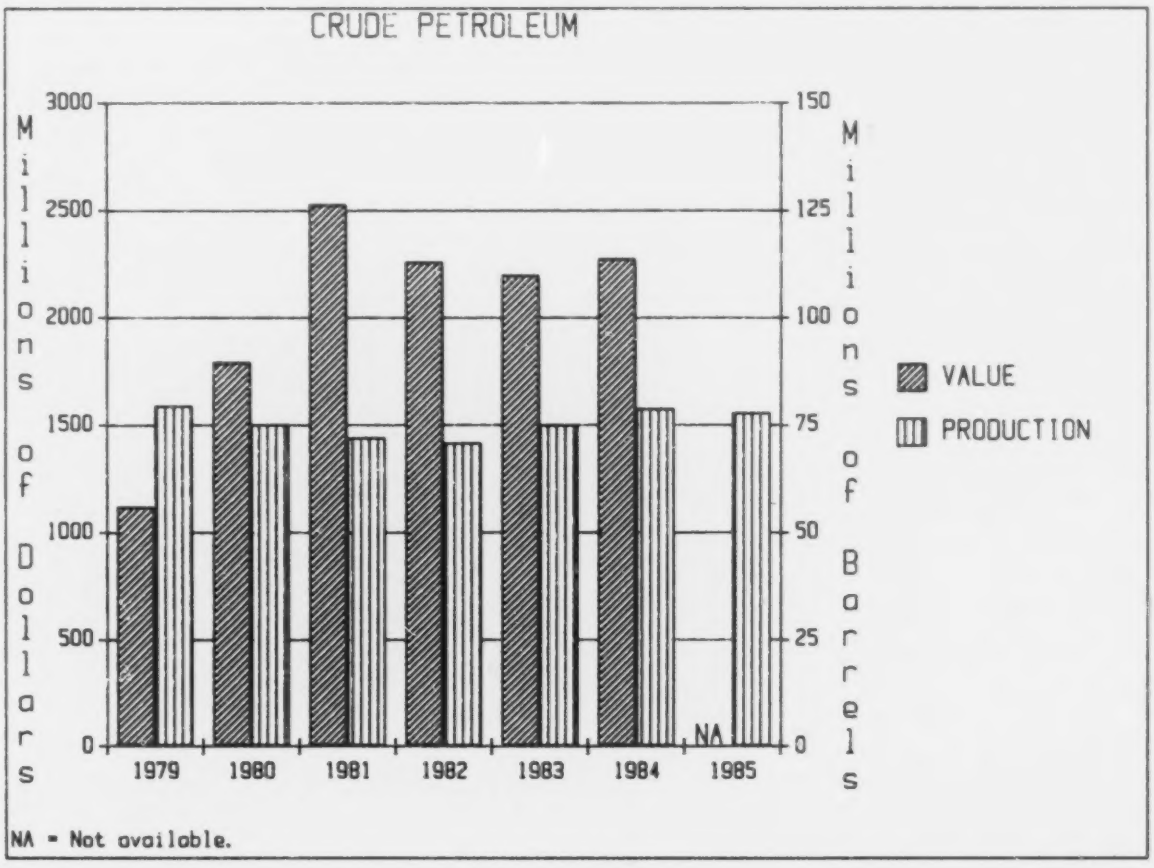


LIVESTOCK PRICES AND CASH MARKETINGS OF FARM PRODUCTS IN NEW MEXICO

	1975	1981	1982	1983	1984[2]	1985[2]	% Change 1984-1985
PRICES TO FARMERS (Annual Averages)							
All Beef Cattle (per cwt.)[1]	$ 39.30	$ 51.00	$ 46.80	$ 46.50	$ 46.00	$ na	na
Calves (per cwt.)[1]	27.40	67.10	62.60	65.20	63.10	na	na
Sheep (per cwt.)[1]	11.20	22.70	18.20	15.00	21.10	na	na
Lambs (per cwt.)[1]	40.90	51.00	48.60	50.10	56.80	na	na
Wool (per lb.)	0.52	1.06	0.88	0.76	0.87	na	na
CASH MARKETINGS (Annual Totals) ($000s)							
All Farm Products	$725,713	$ 899,267	$949,502	$963,641	$988,725	$987,422[3]	8.3[4]
Livestock	539,072	586,293	626,797	634,384	656,526	652,192[3]	6.1[4]
Crops	186,641	312,974	322,705	329,257	332,199	335,230[3]	12.9[4]

na Not available.
1 cwt = hundred weight.
2 Subject to revision.
3 Total for the first 11 months of the year.
4 Percent change based on 11 months of 1985 compared to 11 months of 1984.
Source: U.S. Department of Agriculture, Economic Research Service and New Mexico Crop and Livestock Reporting Service.

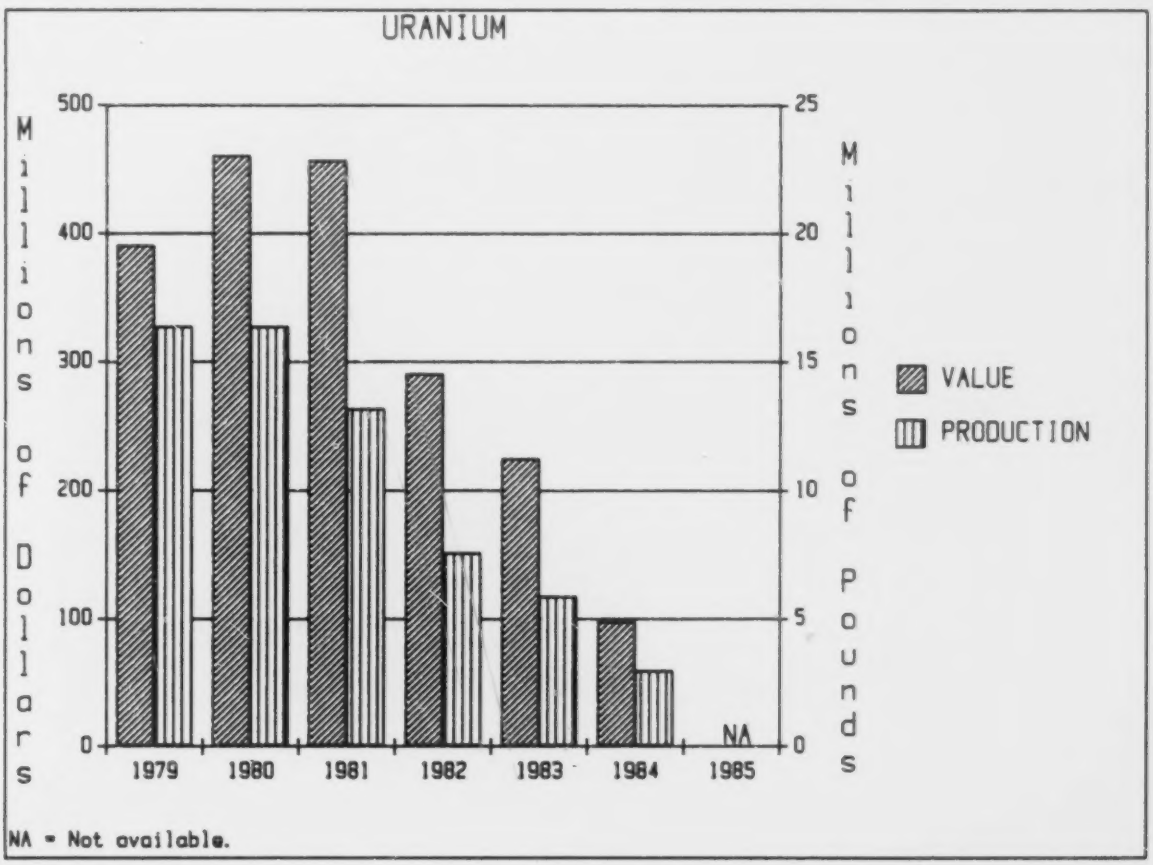
MINING



SELECTED MINERAL PRODUCTION IN NEW MEXICO

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
Petroleum (crude) (000 42-gal. bbls.)	95,063	79,649	75,324	72,155	71,024	75,169	79,336	77,943[2]	-1.8
Natural Gas[1] (billion cubic ft.)	1,217	1,181	1,150	1,134	991	895	957	896[2]	-6.4
Copper (000 short tons)	146,263	181	165	170	66	w	w	w	na
Potash (000 short tons, K_2O equivalent)	2,081	2,210	2,060	1,765	1,650	1,409	1,563	1,267	-18.9
Natural Gas Liquids (000 42-gal. bbls)	39,408	44,712	45,414	45,544	42,853	42,735	50,604	44,932[2]	-11.2
Uranium (000 lbs., recoverable content U_3O_8)	11,000	16,400	16,400	13,200	7,600	5,900	3,000	na	na
Coal (000 short tons)	8,785	15,615	19,297	18,685	19,940	20,415	21,269	21,042	-1.1
Sands and Gravel (000 short tons)	6,220	7,141	7,050	7,300	5,616	7,000	8,363	8,400	0.4
Perlite (000 short tons)	429	588	539	489	408	394	416	429	3.1
Stone (000 short tons)	2,197	2,609	2,235	4,188	2,818	4,748	4,719	5,022	6.4
Gold (000 troy ounces)	15	23	16	66	54	w	w	w	na
Silver (000 troy ounces)	792	w	1,274	1,632	805	w	w	w	na

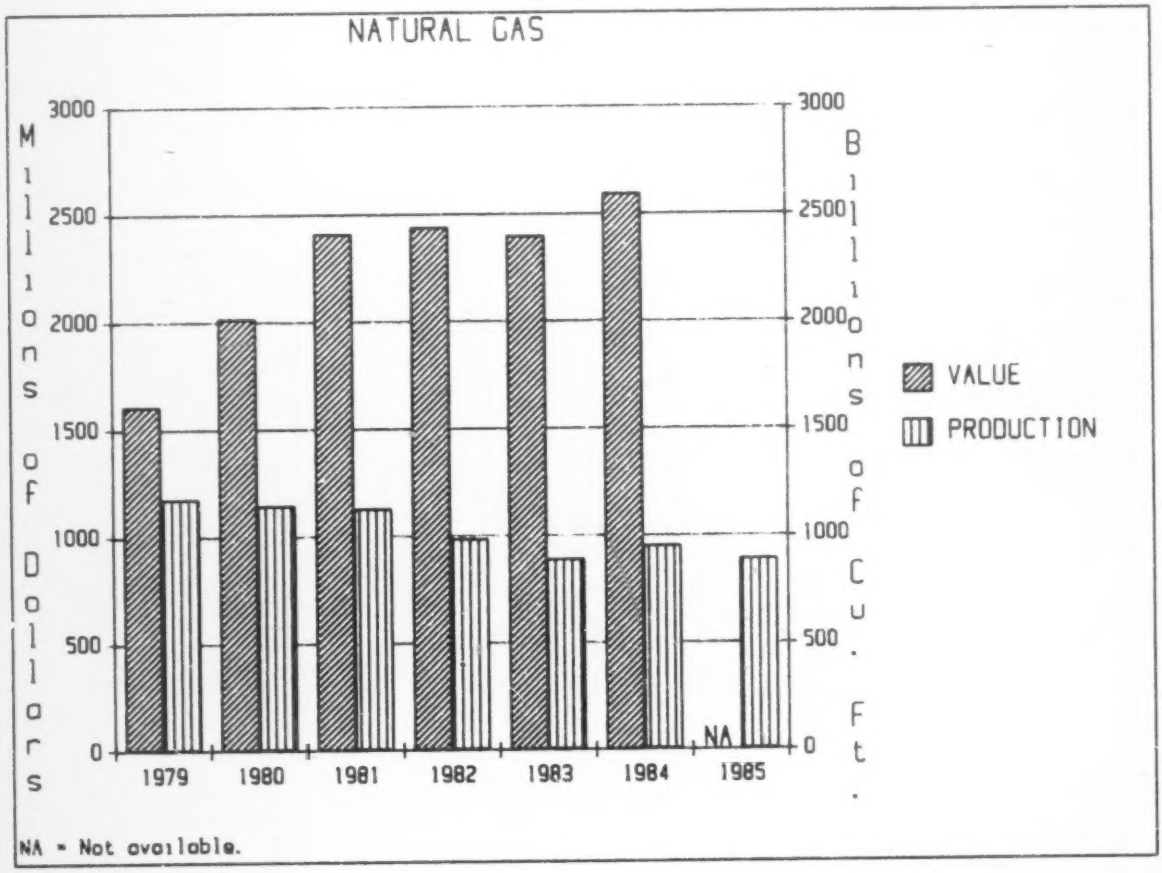
na Not available.
p Preliminary.
w Witheld to avoid disclosing confidential data of individual companies.
1 Marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
2 Estimate based on available data.
Source: U.S. Department of the Interior, Bureau of Mines, annual report; the U.S. Department of Energy, Energy Information Administration, selected publications; and the New Mexico Energy and Minerals Department.



VALUE OF MINERAL PRODUCTION IN NEW MEXICO
($000s)

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
TOTAL	$2,091,541	$4,030,777	$5,343,247[1]	$6,435,815[1]	$5,930,325[1]	$5,712,317[1]	$6,004,984[1]	na	na
Crude Petroleum	788,073	1,119,864	1,794,217	2,529,032	2,261,404	2,199,445	2,276,150	na	na
Natural Gas[2]	493,059	1,613,742	2,021,315	2,415,033	2,443,891	2,402,769	2,599,121	na	na
Copper	187,802	336,934	337,328	289,204	97,384	w	w	w	na
Potash	179,924	228,776	289,011	261,200	204,600	174,700	204,100	158,200	-22.5
Natural Gas Liquids	167,357	na	na	na	na	na	na	na	na
Uranium	127,829	391,140	461,660	457,380	291,612	225,439	97,950	na	na
Coal	w	211,583	270,351	339,693	382,649	367,470	412,619	na	na
Sand & Gravel	13,798	18,245	17,676	18,000	17,670	20,000	22,389	22,800	1.5
Perlite	6,400	14,874	14,404	14,983	13,355	13,297	14,115	15,034	6.5
Stone	4,683	6,860	7,350	12,658	13,838	15,262	17,149	16,271	-5.1
Gold	2,430	7,065	9,670	30,221	21,572	w	w	w	na
Silver	3,501	w	27,400	17,170	6,397	w	w	w	na
Other	116,685	81,694	92,865	51,241	175,953	293,935	361,391	420,895	16.5

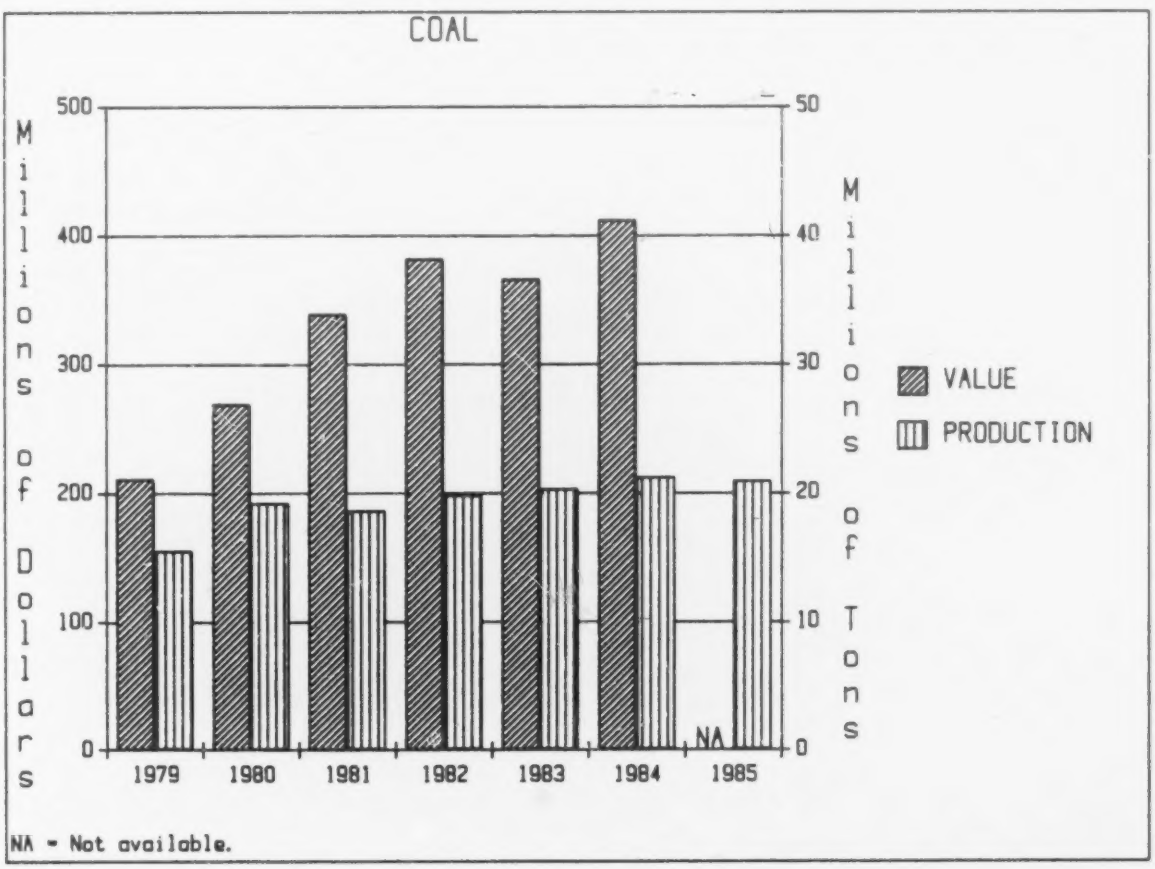
na Not available.
p Preliminary.
w Withheld to avoid disclosing individual company confidential data; included in "Other."
1 Incomplete total, may not include the value of natural gas liquids.
2 Value of marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
Source: U.S. Department of Interior, Bureau of Mines, annual reports, and the U.S. Department of Energy.

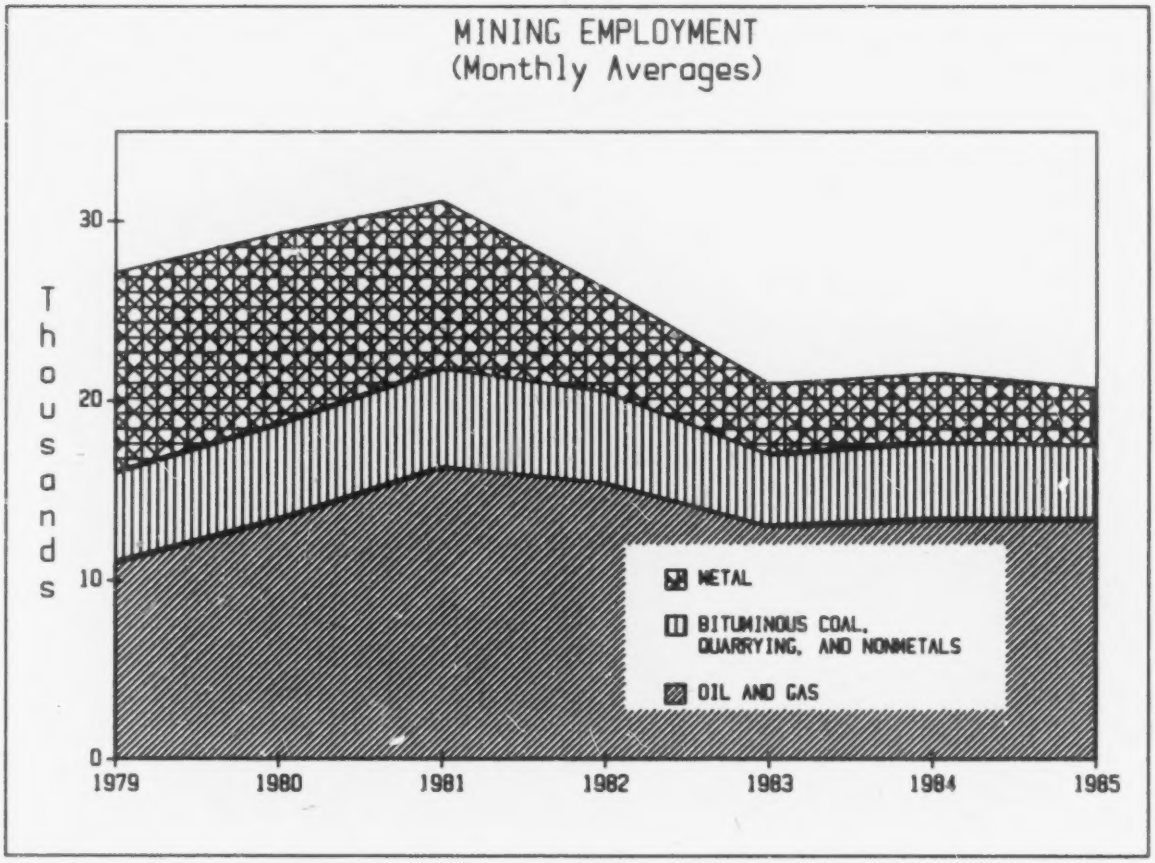


MINING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985p	% Change 1984-1985
TOTAL	20,300	27,100	29,400	31,200	26,300	21,000	21,600	20,600	-4.6
Metal	7,300	11,200	10,700	9,400	5,800	4,000	3,900	3,200	-17.9
Nonmetal	4,100	5,000	5,300	5,500	5,100	4,000	4,300	4,100	-4.7
Oil & Gas	8,900	11,000	13,400	16,300	15,400	13,000	13,400	13,400	0.0
Average Weekly Hours	42.1	44.9	43.0	44.1	42.2	42.4	41.9	42.3	1.0
Average Weekly Earnings	$238.29	$371.77	$395.60	$436.59	$470.53	$475.30	$481.85	$503.37	4.5

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.




MINING EMPLOYMENT
(Monthly Averages)
Thousands
30
20
10
0
1979
1980
1981
1982
1983
1984
1985
METAL
BITUMINOUS COAL, QUARRYING, AND NONMETALS
OIL AND GAS

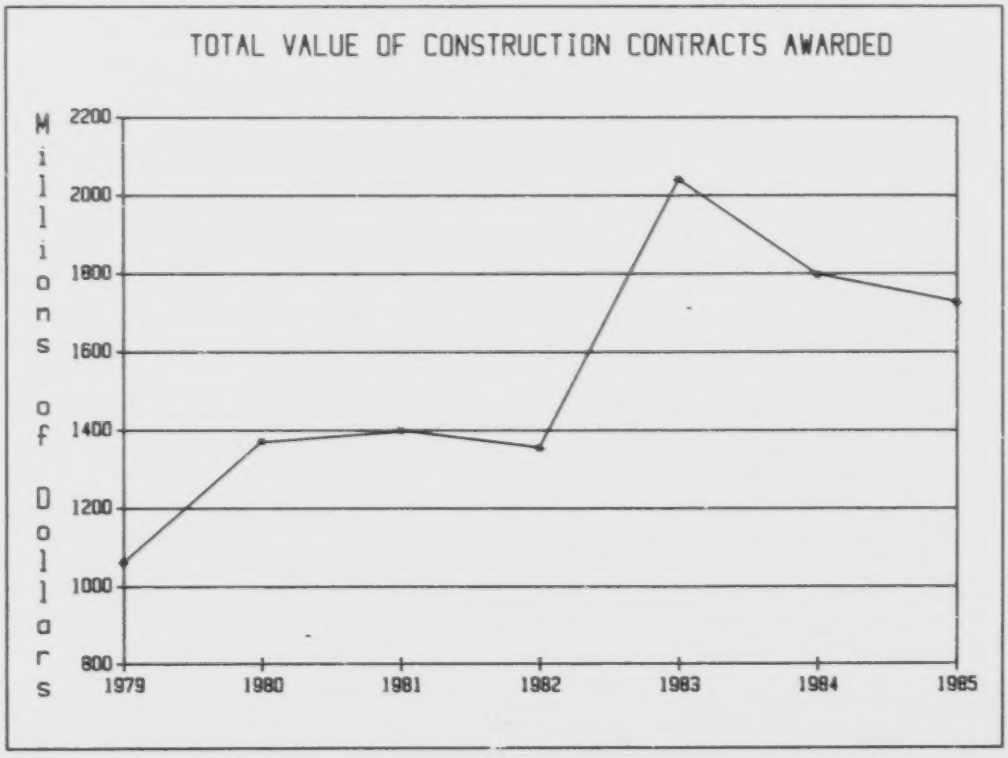
CONSTRUCTION

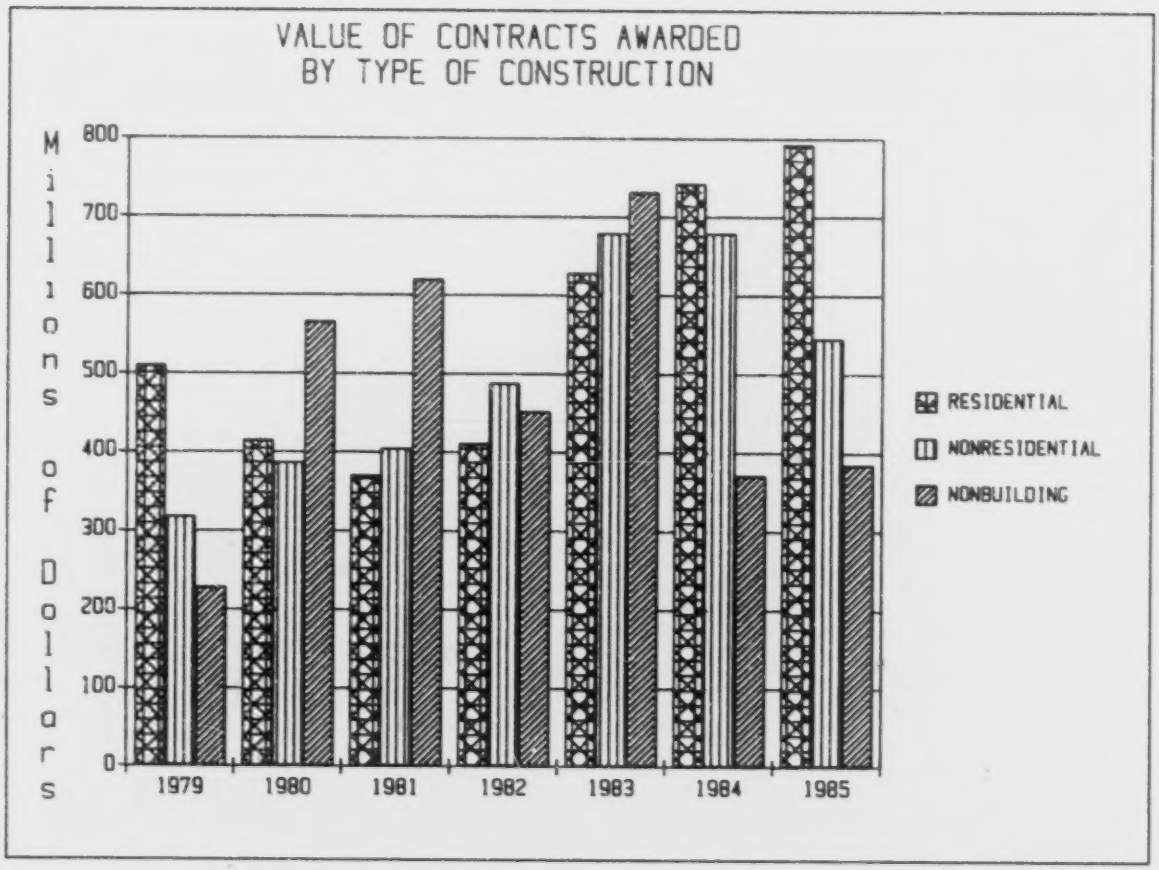
CONSTRUCTION IN NEW MEXICO

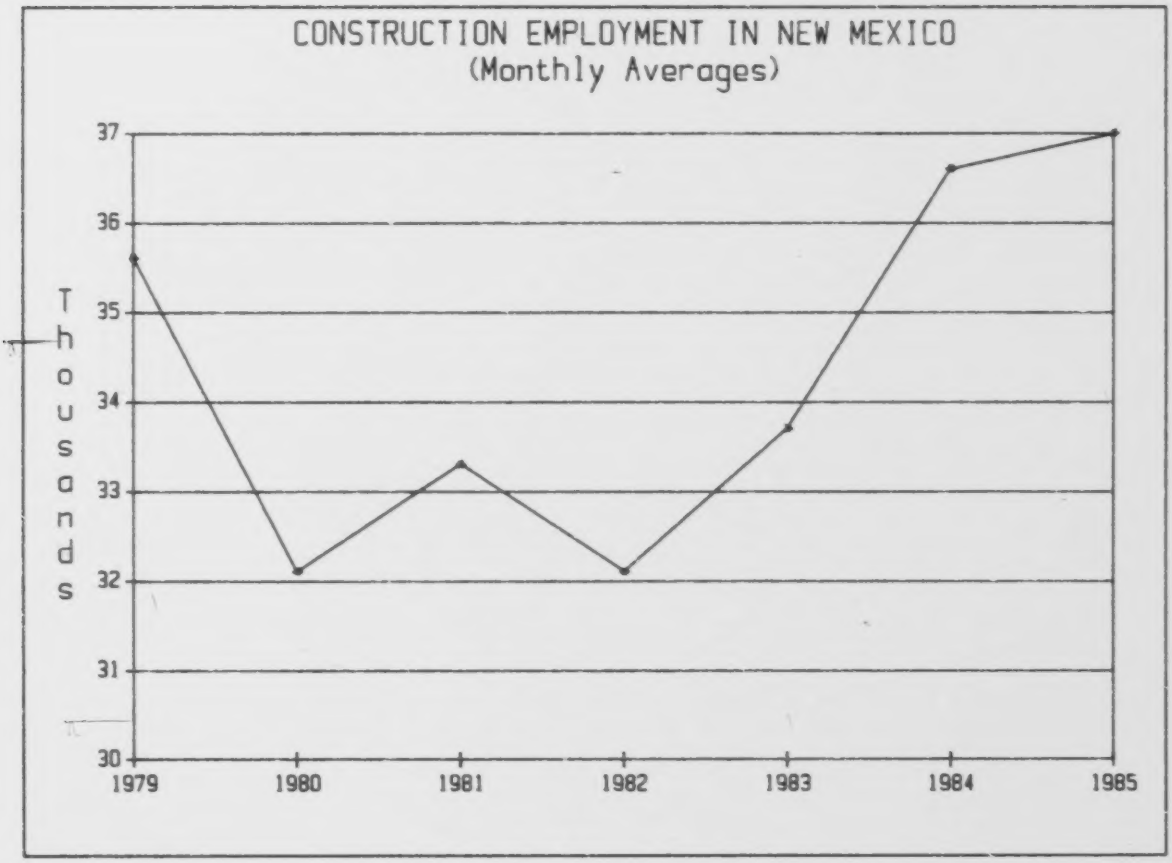
	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
EMPLOYMENT[1]	25,200	35,600	32,100	33,300	32,100	33,700	36,600	37,000	1.1
VALUE OF CONTRACTS AWARDED									
Total ($000s)	$660,221	$1,059,800	$1,371,397	$1,397,856	$1,354,225	$2,040,090	$1,795,606	$1,724,636	-4.0
Residential	216,446	511,400	416,307	370,661	412,456	628,529	743,463	793,181	6.7
Nonresidential	152,815	319,300	387,770	406,357	488,854	680,023	680,339	545,818	-19.8
Nonbuilding	290,960	229,100	567,320	620,838	452,915	731,538	371,804	385,637	3.7
BUILDING PERMITS									
Total Value ($000s)[2]	$ na	$ na	$ na	$ 679,000	$ 770,938	$ 952,745	$1,210,109	$1,096,795	-9.4
Residential									
Value ($000s)	$ na	$ na	$ na	$ 324,096	$ 346,374	$ 493,158	$ 683,631	566,430	-17.1
Number of Units Permitted									
Single Family	na	na	na	5,630	5,540	8,081	7,955	7,151	-10.1
Multifamily	na	na	na	2,322	3,060	2,733	8,570	4,643	-45.8
Nonresidential[3]									
Value ($000s)	$ na	$ na	na	$ 251,185	$ 305,320	$ 324,078	$ 389,130	$ 379,167	-2.6
Number of Permits	na	na	na	2,896	3,187	3,358	3,564	2,479	-30.4

na Not available.
p Preliminary.
1 Monthly averages.
2 Total value includes new residential value, new nonresidential value, and the value of all additions and alterations (not shown separately).
3 Starting in 1985 residential garages were counted as an addition or alteration. Prior to 1985 they were counted as new nonresidential construction. They comprised a very small portion of nonresidential construction, making up just over 1 percent of the total in 1984.

Source: New Mexico Employment Security Department; F.W. Dodge Division, McGraw-Hill Information Systems Co.; and U.S. Department of Commerce, Bureau of the Census.




VALUE OF CONTRACTS AWARDED
BY TYPE OF CONSTRUCTION
Millions of Dollars
800
700
600
500
400
300
200
100
0
1979
1980
1981
1982
1983
1984
1985
RESIDENTIAL
NONRESIDENTIAL
NONBUILDING

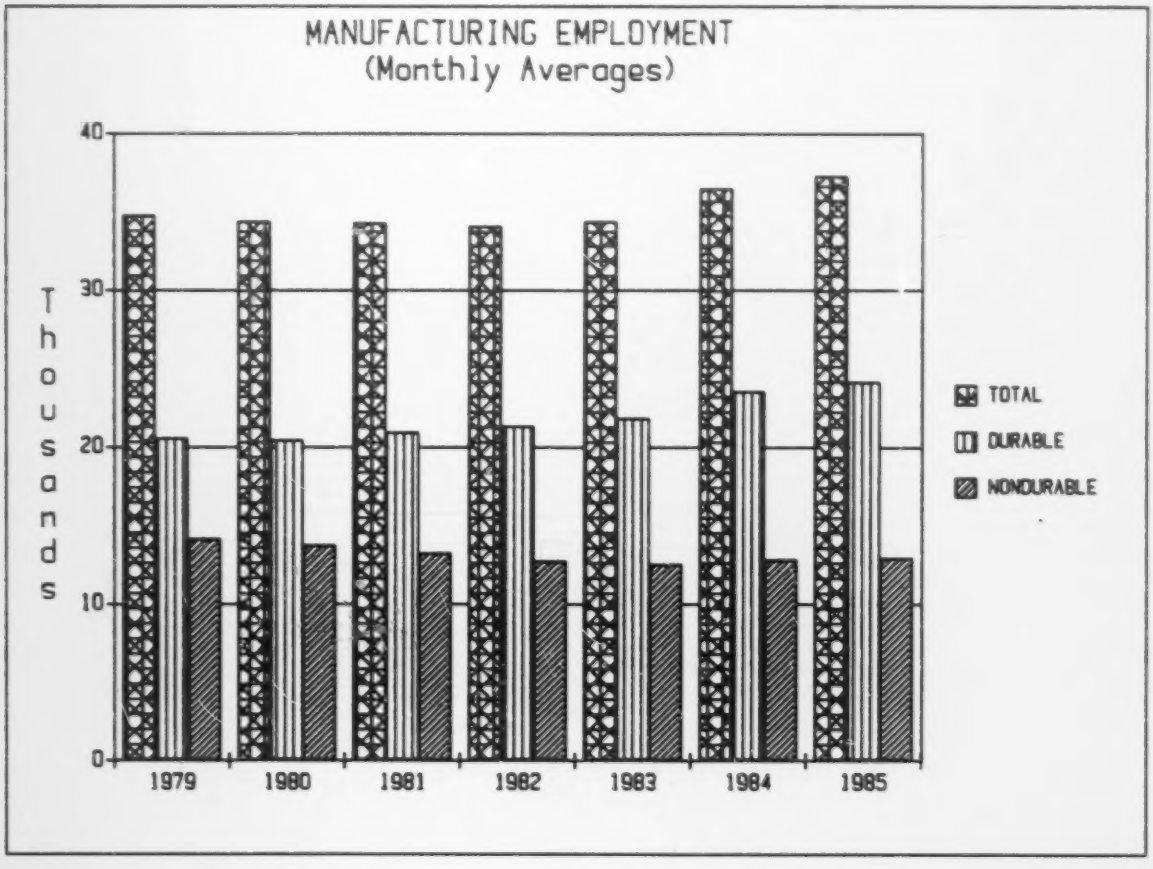

CONSTRUCTION EMPLOYMENT IN NEW MEXICO
(Monthly Averages)
Thousands
37
36
35
34
33
32
31
30
1979
1980
1981
1982
1983
1984
1985

MANUFACTURING

MANUFACTURING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985p	% Change 1984-1985
TOTAL	28,600	34,800	34,400	34,300	34,100	34,400	36,500	37,300	2.2
Durable Goods	16,900	20,600	20,500	21,000	21,400	21,900	23,600	24,200	2.5
Lumber	2,600	3,200	2,600	2,600	2,100	2,300	2,600	2,500	-3.8
Electrical Equipment	2,900	3,600	3,500	3,500	4,400	4,900	6,400	6,600	3.1
Transportation Equipment	1,900	3,500	3,900	3,800	4,100	3,900	3,500	4,000	14.3
Other	9,500	10,300	10,500	11,200	10,900	10,700	11,200	11,000	-1.8
Nondurable Goods	11,600	14,200	13,800	13,300	12,800	12,600	12,900	13,000	0.8
Food & Kindred Products	4,500	4,700	4,600	4,100	3,900	4,000	4,100	4,200	2.4
Textile & Apparel	3,000	3,900	3,800	3,600	3,000	2,600	2,500	2,400	-4.0
Other	4,200	5,700	5,500	5,700	5,900	6,000	6,300	6,500	3.2
Average Weekly Hours	39.0	39.5	39.8	39.5	39.2	39.7	39.9	39.9	0.0
Average Weekly Earnings	$141.57	$211.72	$230.44	$258.33	$283.02	$301.72	$318.40	$335.96	5.5

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.

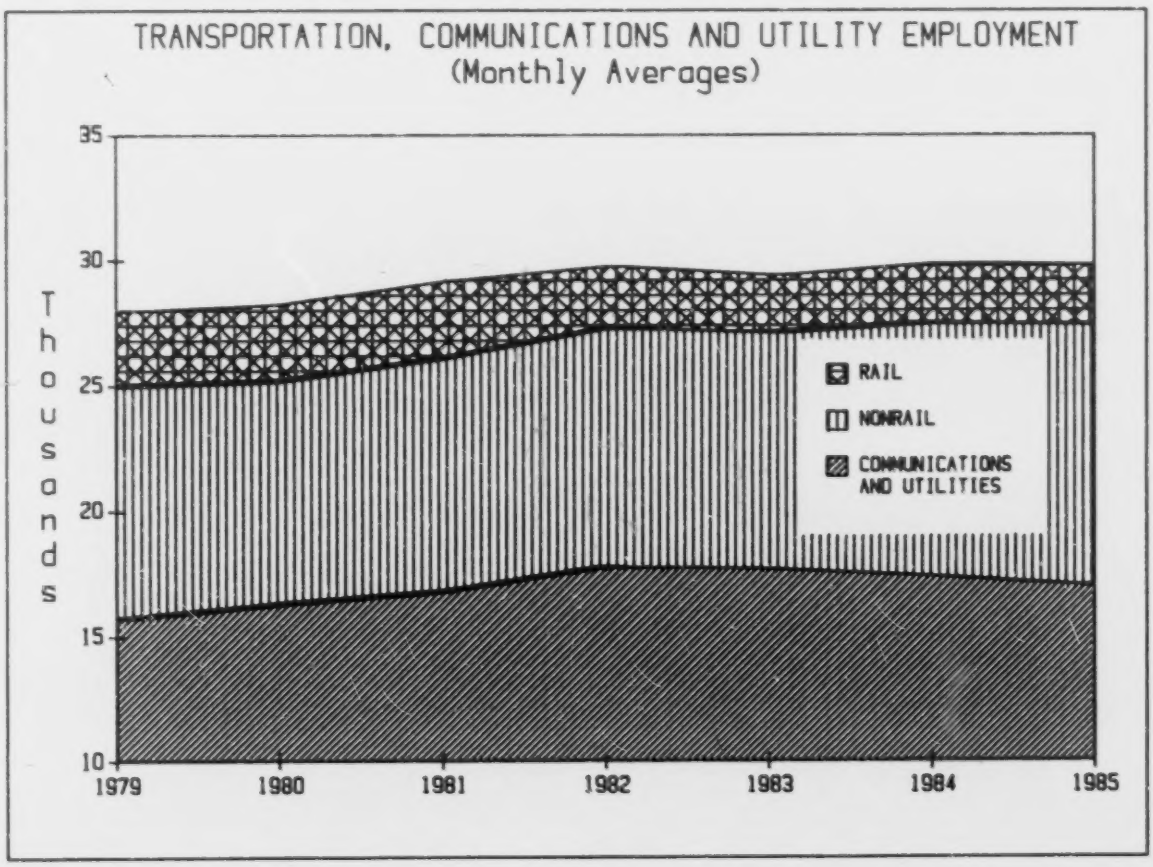


TRANSPORTATION, COMMUNICATIONS AND UTILITIES

EMPLOYMENT IN TRANSPORTATION, COMMUNICATIONS AND UTILITIES IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985p	% Change 1984-1985
TOTAL	23,000	28,100	28,300	29,200	29,900	29,500	29,900	29,800	-0.3
Rail	2,700	3,000	3,100	3,100	2,500	2,300	2,400	2,400	0.0
Nonrail	7,300	9,300	8,900	9,300	9,500	9,400	10,100	10,400	3.0
Trucking & Warehousing	4,400	5,800	5,400	5,700	5,700	5,500	6,000	6,100	1.7
Other Transportation	2,900	3,500	3,500	3,600	3,800	3,900	4,100	4,300	4.9
Utilities & Communications	12,900	15,700	16,300	16,800	17,800	17,700	17,400	17,000	-2.3
Communication	6,100	7,200	7,500	7,500	8,000	8,000	7,700	7,300	-5.2
Electric & Gas Utilities	6,800	8,500	8,800	9,300	9,800	9,700	9,700	9,700	0.0

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.

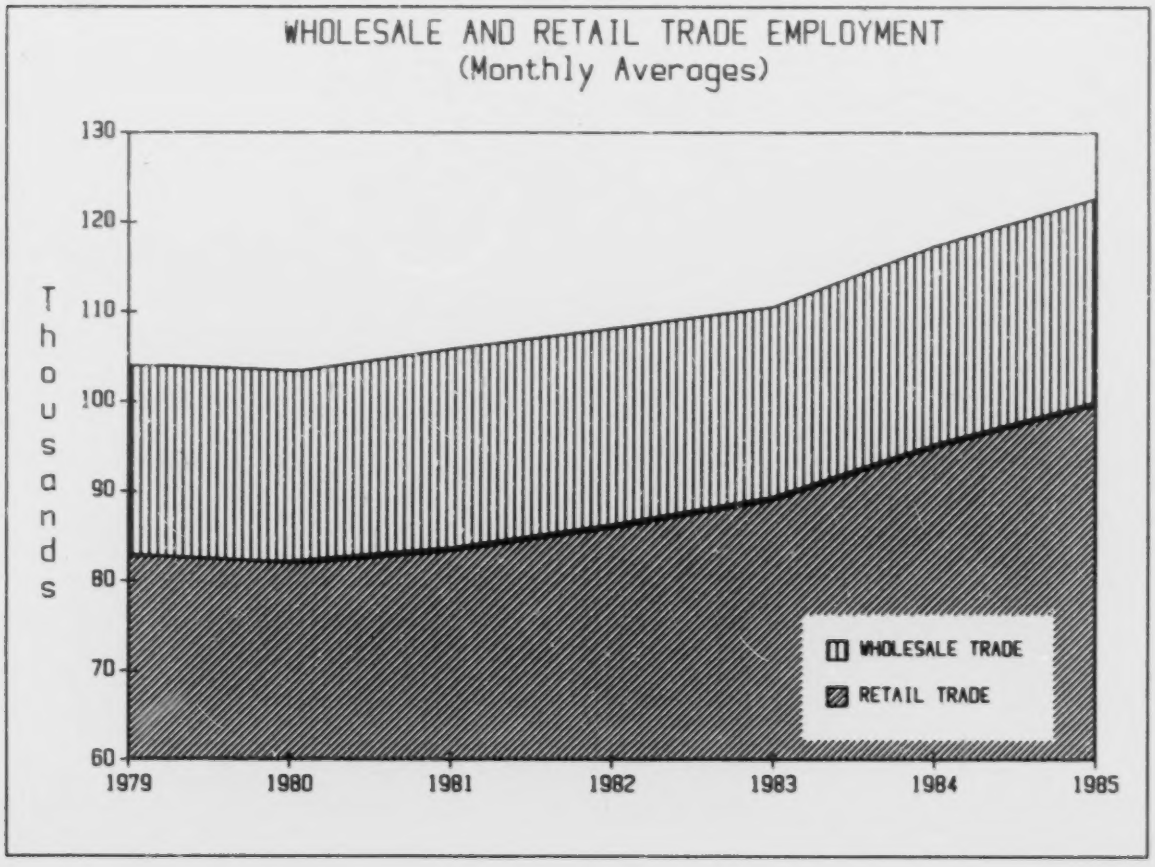


WHOLESALE AND RETAIL TRADE

WHOLESALE AND RETAIL TRADE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
TOTAL	83,600	104,100	103,400	106,000	108,300	110,700	117,500	122,800	4.5
Wholesale	16,800	21,200	21,400	22,500	22,200	21,500	22,400	23,000	2.7
Retail	66,800	82,900	82,000	83,500	86,100	89,200	95,100	99,800	4.9
Average Weekly Hours[1]	36.2	35.2	35.0	35.2	35.7	35.4	32.2	33.0	2.5
Average Weekly Earnings[1]	$141.18	$193.60	$219.80	$235.14	$243.47	$249.22	$211.55	$219.45	3.7

* Detail may not add up to total because of rounding.
p Preliminary.
1 Sectors are combined. Excludes eating and drinking establishments through 1983.
Source: New Mexico Employment Security Department.

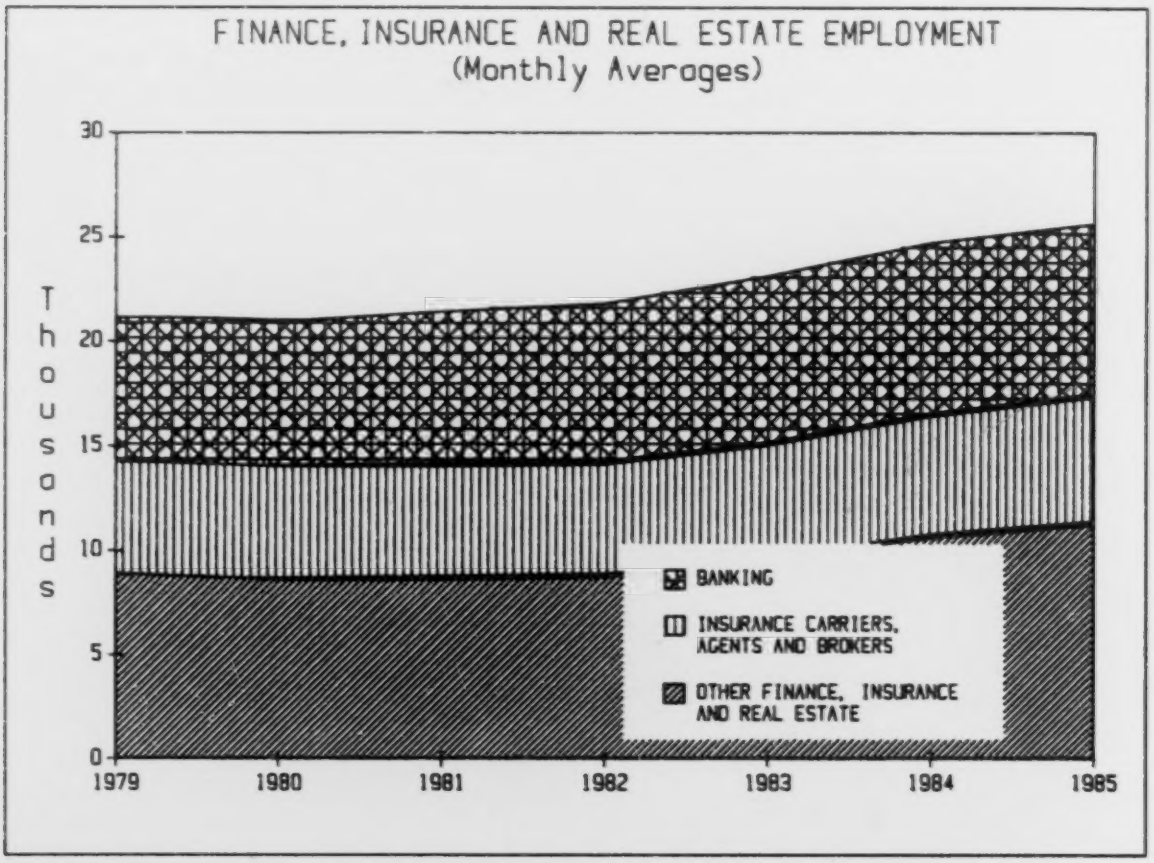


FINANCE, INSURANCE AND REAL ESTATE

FINANCE, INSURANCE AND REAL ESTATE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
TOTAL	16,300	21,200	21,100	21,500	21,900	23,200	24,700	25,600	3.6
Banking	5,400	6,900	7,000	7,400	7,700	8,100	8,300	8,300	0.0
Insurance Carriers, Agents & Brokers	4,000	5,400	5,400	5,400	5,400	5,500	5,800	6,100	5.2
Other Finance, Insurance & Real Estate	7,000	8,900	8,600	8,700	8,800	9,600	10,700	11,300	5.6

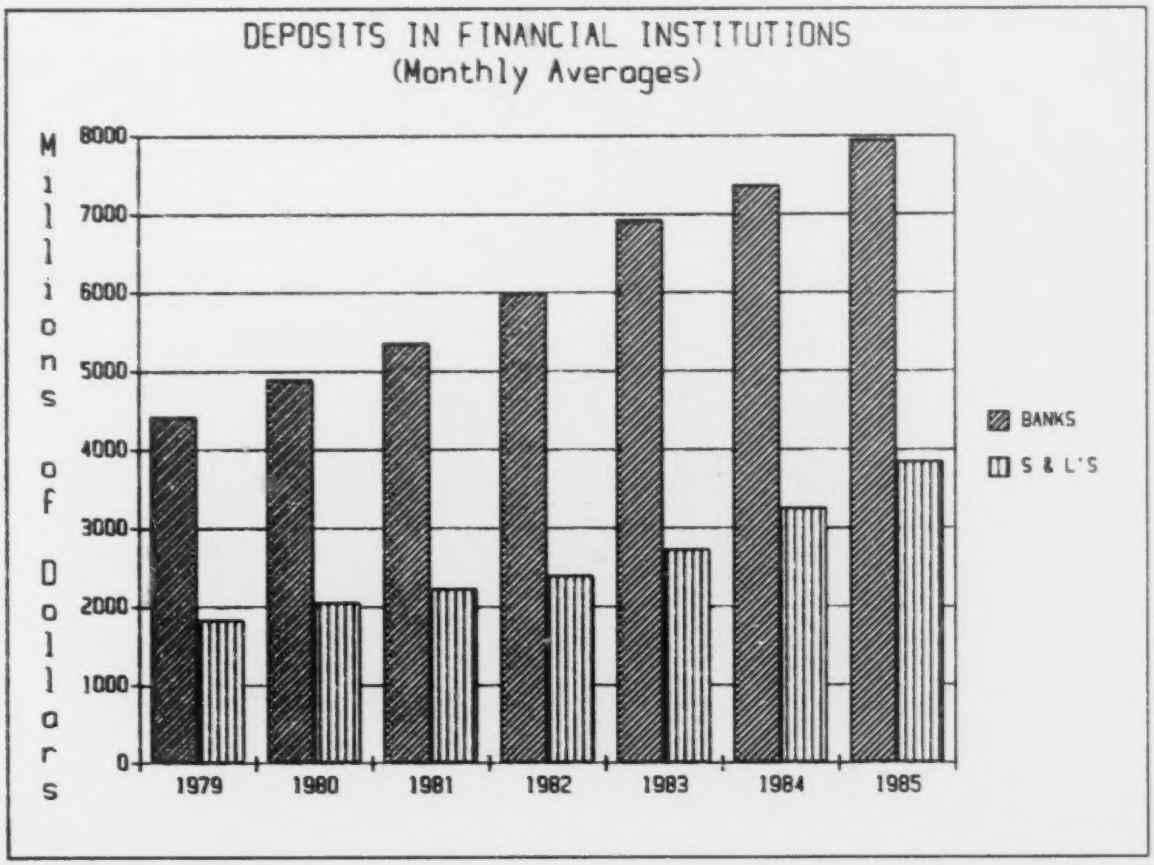
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



FINANCIAL ACTIVITY
($ Millions)

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
FINANCIAL INSTITUTIONS									
Banks[1]									
Assets	$3,210	$5,035	$5,648	$6,328	$7,115	$8,057	$8,648	$9,182	6.2
Deposits	2,798	4,435	4,906	5,368	6,007	6,935	7,376	7,956	7.9
Gross Loans	1,687	3,005	3,102	3,400	3,816	4,253	5,000	5,466	9.3
Savings & Loan Associations[2]									
Deposits	$ na	$1,843	$2,064	$2,241	$2,408	$2,742	$3,268	3,862	18.2
New Savings Received	43	132	179	179	215	316	482	na	na
MISCELLANEOUS									
Life Insurance Sales	$ 919	$1,848	$2,112	$2,667	$3,354	$4,142	$4,194	$ na[3]	na
New Business Incorporations	1,690	3,059	2,450	2,588	2,455	2,475	2,878	2,346	na

na Not available.
p Preliminary.
1 Midyear figures.
2 Monthly averages.
3 Total for the first ten (10) months of the year.
Source: The Federal Reserve Bank; Federal Home Loan Bank of Dallas; Life Insurance Fact Book, various issues; and Dun & Bradstreet, Inc.

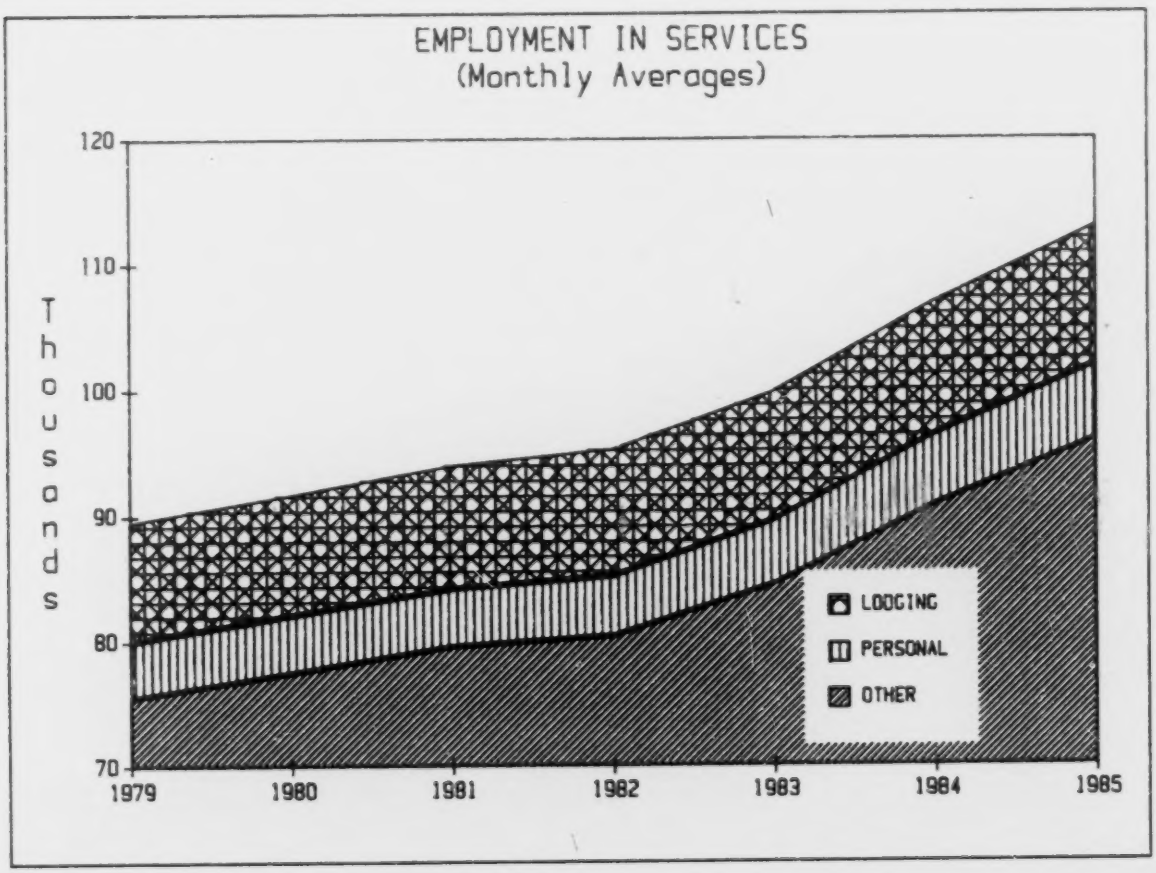


SERVICES, RECREATION AND TOURISM

EMPLOYMENT IN SERVICES IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
TOTAL	68,300	89,600	91,800	94,100	95,500	99,700	106,300	113,000	6.3
Lodging Establishments	8,300	9,600	9,700	9,900	10,200	10,300	10,600	11,100	4.7
Personal	4,300	4,500	4,600	4,600	4,800	5,100	5,600	5.900	5.4
Business	13,400	18,300	18,900	20,400	21,000	22,000	24,400	26,400	8.2
Medical	15,100	19,200	20,800	22,300	23,800	25,100	26,000	26,900	3.5
Social	7,100	10,400	10,300	8,900	6,600	6,600	7,000	7,100	1.4
Nonprofit Organizations	3,900	6,100	5,300	4,900	4,800	5,400	5,700	6,300	10.5
Other	16,300	21,500	22,200	23,100	24,200	25,200	27,100	29,200	7.7

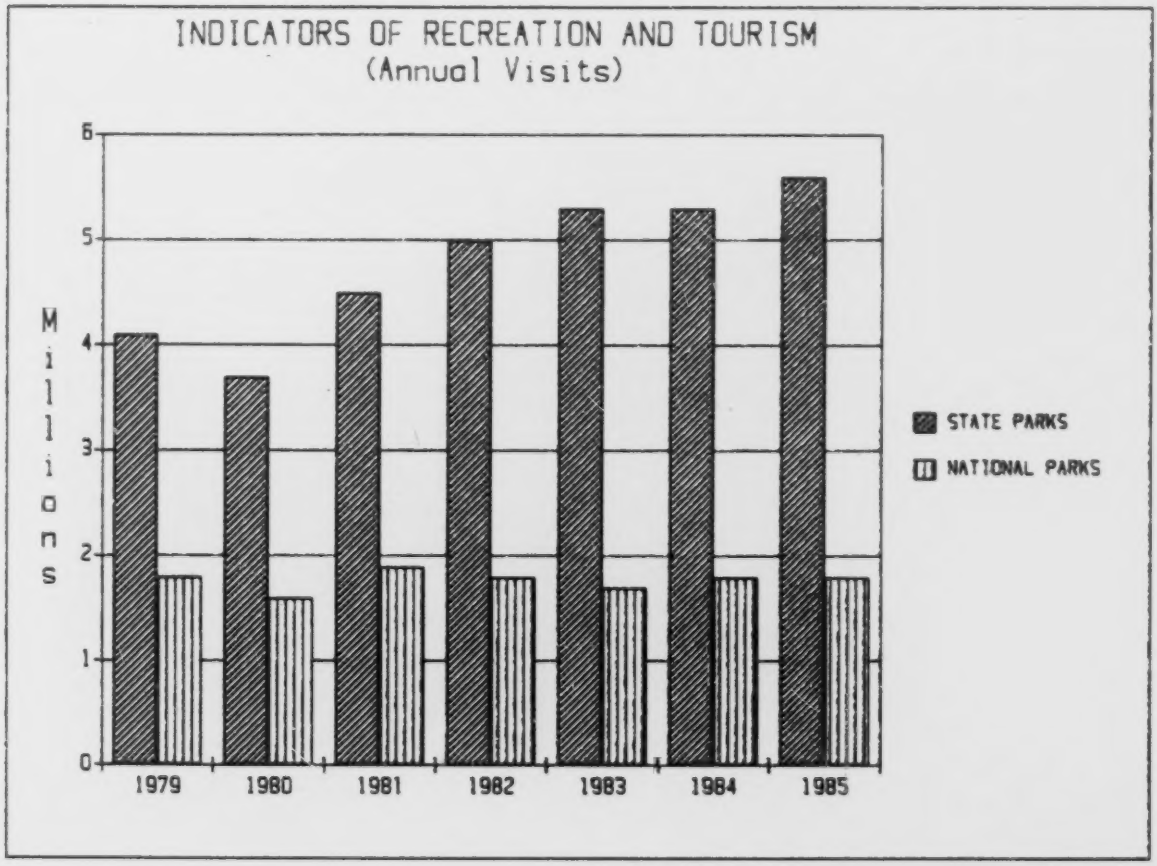
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



INDICATORS OF RECREATION AND TOURISM IN NEW MEXICO

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
AVERAGE MONTHLY EMPLOYMENT									
Lodging Establishments	8,300	9,600	9,700	9,900	10,200	10,300	10,600	11,100	4.7
Eating & Drinking Places	18,500	26,200	26,500	27,800	29,500	31,500	33,700	35,200	4.5
VISITS TO NATIONAL PARKS & MONUNMENTS									
Annual Total	1,927,580	1,767,080	1,646,460	1,862,530	1,849,870	1,732,720	1,782,960	1,773,500	-0.5
Quarterly Total: I	225,440	285,960	222,940	264,240	262,700	243,460	255,030	232,870	-8.7
II	614,180	604,230	542,880	598,030	613,800	530,390	604,540	573,940	-5.1
III	841,540	653,650	645,060	709,360	721,830	712,230	665,670	691,290	3.8
IV	246,420	223,240	235,580	290,900	251,540	246,640	257,720	275,400	6.9
VISITS TO STATE PARKS									
Annual Total	1,683,663	4,099,007	3,679,620	4,502,456	4,951,065	5,323,311	5,332,883	5,619,812	5.4

p Preliminary.
Source: New Mexico Employment Security Department; U.S. Department of the Interior, National Park Service; and the New Mexico Natural Resources Department, Park and Recreation Division.

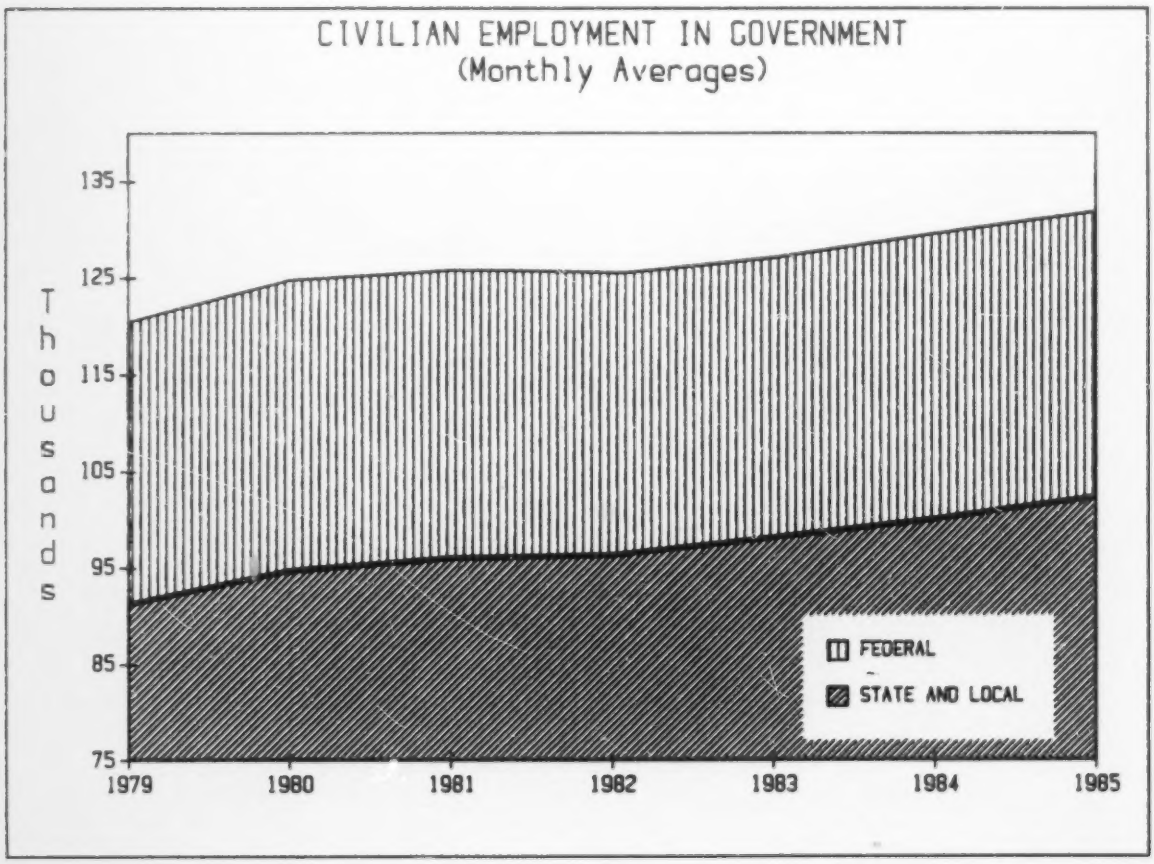


GOVERNMENT EMPLOYMENT

CIVILIAN EMPLOYMENT IN GOVERNMENT IN NEW MEXICO*
(Monthly Averages)

	1975	1979	1980	1981	1982	1983	1984	1985[p]	% Change 1984-1985
TOTAL	104,800	120,500	125,000	125,800	125,600	127,200	129,700	132,000	1.8
Federal	28,600	29,400	30,200	29,900	29,200	29,100	29,700	29,700	0.0
State & Local	76,200	91,200	94,700	96,000	96,300	98,100	100,000	102,300	2.3
State	32,100	40,600	42,700	44,100	43,100	43,600	44,600	46,200	3.6
Local	44,100	50,600	52,000	51,900	53,200	54,500	55,400	56,100	1.3

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



Good News-Bad News: The 1985 State Population Estimates

At mid-decade New Mexico was one of the 10 fastest-growing states. From 1980 to 1985, the state's population increased by 11.3 percent to a total of 1,450,000. Typically, all of the fastest-growing states are in the West or the South. Since 1970, these two regions have dominated population growth in the United States, including over 90 percent of the growth from 1980 to 1985. Regional trends, however, can mask variations among the states, and the growth of the West and the South does not represent a long-term demographic trend common to each of the 30 states, but the cumulative effect of short-term changes induced by economic conditions. And therein lies the bad news.

While the energy boom of the 1970s promoted economic and population growth in the energy-producing states of the West and South, the present decreases in prices of oil and natural gas and layoffs in the mining industries are effecting a decrease in that growth. Table A (below) compares the average annual rates of population change, 1980-85 to 1984-85, for the major energy-producing states and shows the *initial* effects of the current economic conditions.

A weak economic outlook for 1986, including further decreases in oil and natural gas prices, portends further abatement of the growth—and the effects of Gramm-Rudman cuts, which are just beginning, can only be speculated now. However, the dependency of the New Mexico economy upon federal spending indicates more reductions. The Bureau of Business and Economic Research (BBER) estimates that approximately 15 to 20 percent of the jobs in New Mexico are directly dependent upon federal spending. By comparison, employment in the mining industries comprises less than 5 percent of total nonagricultural employment.

Current economic conditions have slowed net in-migration to New Mexico to less than 6,000 annually. Population growth was sustained, 1984-85, by natural increase (births minus deaths), which contributed over 75 percent of total growth. The relative contribution of net migration to state population growth has decreased from over 50 percent in the 1970s to about 35 percent, 1980-85, and down to 25 percent, 1984-85. The current deceleration of net migration would be even more significant by comparison with the 1980-83 period; however, the estimates are not consistent.

Revisions in the methodology, which have been included first with the 1984-85 state estimates, have increased the estimated net in-migration to New Mexico by incorporating estimates of undocumented immigration. Population estimates are being adjusted now to include not only estimates of undocumented aliens, but also revised estimates of emigration from the United States. Based upon data from the April, 1983, Current Population Survey (which included special questions on immigration and citizenship), documented immigration is estimated at a net of 200,000 per year; emigration, at 160,000 annually by the U.S. Bureau of the Census. The national estimates are distributed locally on the basis of patterns of legal immigration from 1975 to 1980. Although the net effect of these revisions on national population estimates is nominal, local adjustments may be more significant. Revisions will also affect estimates by age since emigrants tend to be older and undocumented aliens, younger.

Revised estimates of state populations by age, 1980-85, are expected to be released by the Census Bureau in April. For a comparison of New Mexico's resident population with other mountain states, see Table B below. For more information about the state population estimates, contact the Data Bank, 277-6626.

Lynn Bodin Wombold
Senior Demographer

A. COMPARATIVE RATES OF POPULATION CHANGE: SELECT STATES

State	July 1, 1985 (Provisional)	July 1, 1984	April 1, 1980 (Census)	Average Annual Change 1984–85	Average Annual Change 1980–85
New Mexico	1,450,000	1,426,000	1,303,000	1.67%	2.04%
Texas	16,370,000	16,083,000	14,229,000	1.77%	2.67%
Oklahoma	3,301,000	3,310,000	3,025,000	-0.27%	1.66%
Louisiana	4,481,000	4,461,000	4,206,000	0.45%	1.21%
Alaska	521,000	505,000	402,000	3.12%	4.94%

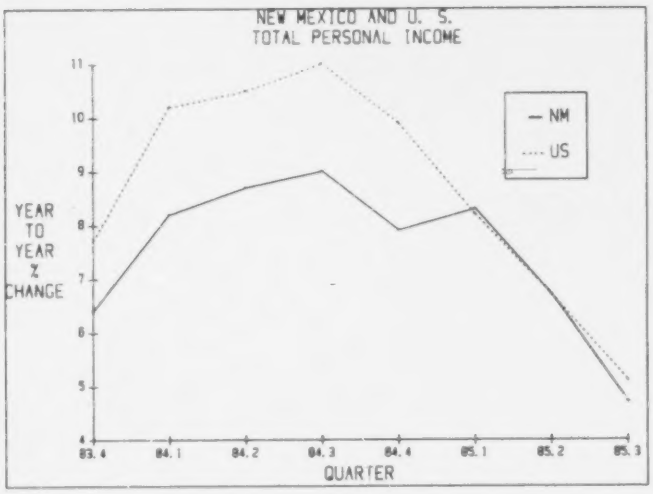
Source: U.S. Department of Commerce, Bureau of the Census.

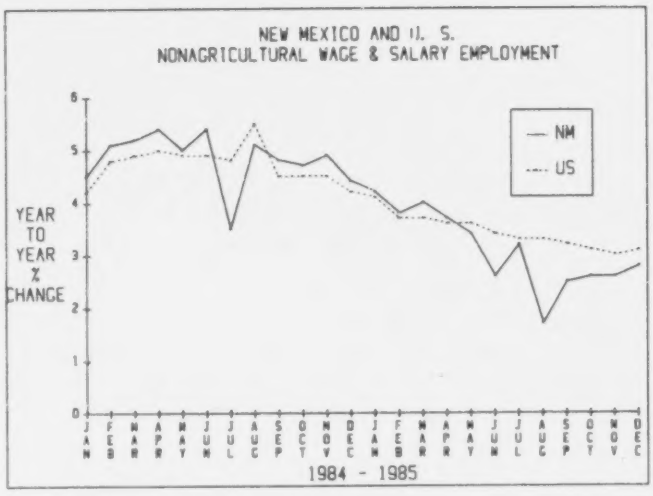
B. ESTIMATES OF THE RESIDENT POPULATION OF SELECT STATES

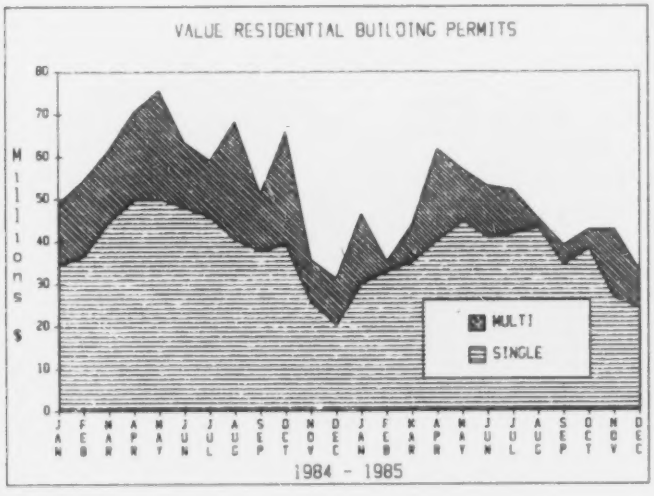
State	July 1, 1985 (Provisional)	July 1, 1984	April 1, 1980 (Census)	Average Annual Change 1984–85	Average Annual Change 1980–85
Mountain:					
Montana	826,000	823,000	787,000	0.36%	0.92%
Idaho	1,005,000	999,000	944,000	0.60%	1.19%
Wyoming	509,000	513,000	470,000	-0.78%	1.52%
Colorado	3,231,000	3,190,000	2,890,000	1.28%	2.12%
New Mexico	1,450,000	1,426,000	1,303,000	1.67%	2.04%
Arizona	3,187,000	3,072,000	2,718,000	3.68%	3.03%
Utah	1,645,000	1,623,000	1,461,000	1.35%	2.26%
Nevada	936,000	917,000	800,000	2.05%	2.99%

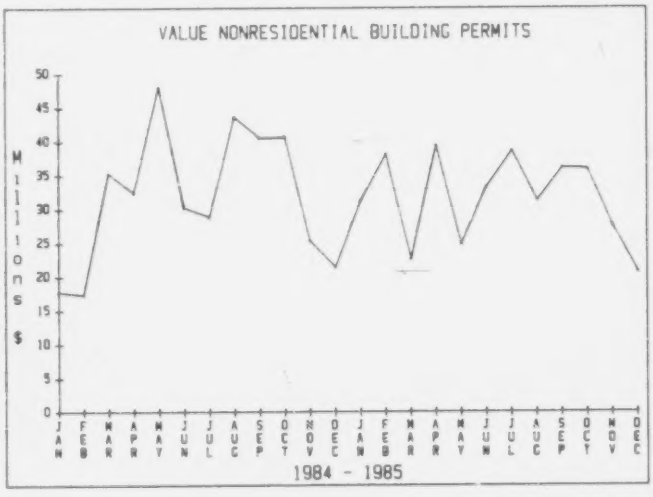
Source: U.S. Department of Commerce, Bureau of the Census.

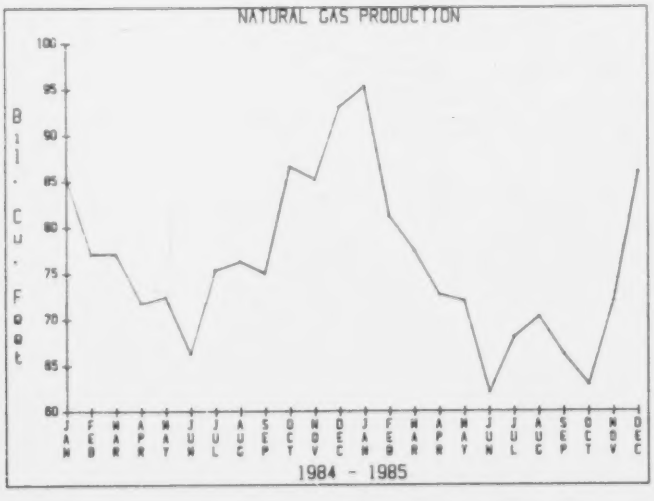
ECONOMIC TRENDS IN NEW MEXICO

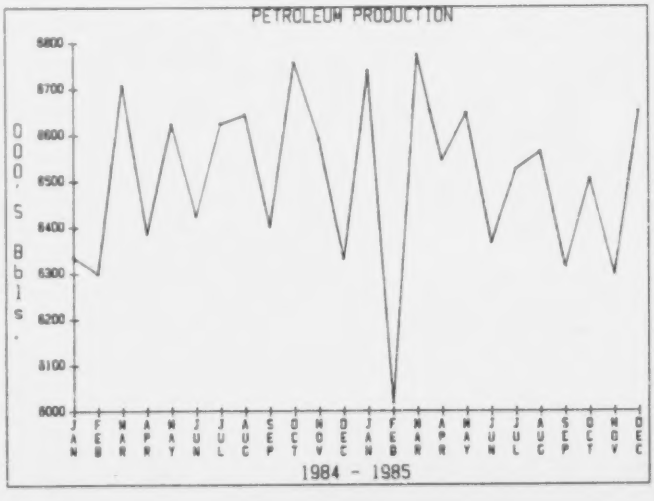












U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1967=100)				
All items	Dec 85	327.4	3.8	326.6
Food and beverages	Dec 85	305.6	2.8	303.6
Housing	Dec 85	355.8	4.3	355.0
Apparel and upkeep	Dec 85	209.0	2.9	211.2
Transportation	Dec 85	324.0	2.6	323.2
Medical care	Dec 85	414.7	6.7	413.0
Entertainment	Dec 85	268.3	3.2	269.0
Other goods and services	Dec 85	336.5	6.3	335.3
Revised series, wage earners and clerical workers (1967=100)				
All items	Dec 85	323.4	3.6	322.6
Gross national product* ($Bil. constant)	IV 85	3605.0	2.6	3584.1
Prime interest rate** (% per annum)	Dec 85	9.5	-11.6	9.5
Mortgage interest rate*** (% per annum)	Nov 85	11.0	-13.6	11.1
3 month treasury bill# (% per annum)	Dec 85	7.1	-13.3	7.2
Industrial production## (1977=100)	Nov 85	125.1	1.4	124.4
Manufacturers new orders## ($Bil.)	Oct 85	195.4	4.7	197.3

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Dec 85	595.9	1.6	597.3	108,063	1.8	108,282
Unemployment rate (%)	Dec 85	8.7	10.2	8.6	6.7	-4.3	6.7
Nonagricultural employment (000)	Dec 85	526.9	2.9	526.0	99,712	3.2	99,590
Personal income### ($Mil.)	III 85	15,543	4.7	15,456	3,211,584	5.1	3,190,683
Housing units permitted							
Single	Dec 85	374	8.7	415	59,152	22.6	65,283
Multi	Dec 85	336	-41.1	691	68,427	24.9	55,022

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
# Rate on new issues within period; bank discount basis.
Monthly data seasonally adjusted.
Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Employment Security Department and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
1. GENERAL				
Civilian labor force* (000)	Dec 85	652.6	2.4	653.7
Total employment* (000)	Dec 85	595.9	1.6	597.3
Unemployment* (000)	Dec 85	56.7	11.9	56.4
Unemployment rate (%)	Dec 85	8.7	10.2	8.6
Weekly new unemployment insurance claims	Dec 85	1591.0	3.3	1480.0
Nonagricultural wage/salary employment**(000)	Dec 85	526.9	2.9	526.0
New business incorporations	Oct 85	183.0	-27.6	208.0
Personal income*** ($ mil.)	III 85	15543.0	4.7	15456.0
2. AGRICULTURAL RECEIPTS				
Livestock and products ($ mil.)	Nov 85	105.0	0.4	72.9
Crops ($ mil.)	Nov 85	52.0	-2.2	32.2
Total ($ mil.)	Nov 85	157.0	-0.5	105.1
3. MINING				
Employment** (000)	Dec 85	20.0	-10.7	20.2
Average hourly earnings ($)	Dec 85	12.20	2.6	11.90
Petroleum production (000 bbls.)	Dec 85	6650.8	5.1	6297.4
Natural gas production (bil. cu. ft.)	Dec 85	86.0	-7.6	72.0
Coal production (000 short tons)	Dec 85	1603.0	14.6	1399.0
Oil well completions&	Dec 85	61.0	-11.5	95.0
Gas well completions&	Dec 85	30.0	-16.6	86.0
Total footage drilled&& (000)	Dec 85	600.1	-3.3	1087.6
Oil sales ($ mil.)	Oct 85	174.4	-4.8	152.9
Gas sales ($ mil.)	Oct 85	152.6	-30.1	166.7
4. CONSTRUCTION				
Employment** (000)	Dec 85	35.6	0.9	37.1
Average hourly earnings ($)	Dec 85	11.30	4.7	10.70
Residential units permitted	Dec 85	710.0	-16.8	1106.0
Residential building permits ($ mil.)	Dec 85	33.0	5.5	42.9
Nonresidential building permits ($ mil.)	Dec 85	20.7	-3.2	27.5
Residential construction contracts ($ mil.)	Dec 85	50.8	20.4	50.1
Nonresidential construction contracts ($mil.)	Dec 85	29.6	-64.6	43.1
Nonbuilding construction contracts ($ mil.)	Dec 85	25.3	50.6	36.5
5. TRANSPORTATION/COMMUNICATION/UTILITIES				
Employment** (000)	Dec 85	29.9	-2.2	29.8
Average hourly earnings## ($)	Dec 85	11.30	4.7	11.40
6. MANUFACTURING				
Employment** (000)	Dec 85	37.5	1.1	37.7
Average hourly earnings ($)	Dec 85	8.70	1.2	8.50
Electric & electronic equipment employment** (000)	Dec 85	6.5	-4.4	6.6
Transportation equipment employment** (000)	Dec 85	4.3	22.9	4.3
Food & kindred products employment** (000)	Dec 85	4.1	-2.3	4.2
Textile & apparel employment** (000)	Dec 85	2.4	0.0	2.4
Lumber & wood products employment** (000)	Dec 85	2.6	0.0	2.6

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
7. TRADE				
Wholesale employment** (000)	Dec 85	23.1	2.3	23.2
Retail employment** (000)	Dec 85	106.6	7.3	104.4
Average hourly earnings ($)	Dec 85	6.70	3.1	6.40
8. FINANCE/INSURANCE/REAL ESTATE				
Employment** (000)	Dec 85	25.6	0.8	25.5
Bank average hourly earnings ($)	Dec 85	5.80	5.5	5.70
Bank total assets ($ mil.)	II 85	9181.8	6.2	8935.8
Bank total deposits ($mil.)	II 85	7955.6	7.9	7782.7
Bank gross loans ($ mil.)	II 85	5466.4	9.4	5370.6
S & L total assets ($ mil.)	Dec 85	4999.1	14.6	4792.5
S & L total deposits ($ mil.)	Dec 85	4136.4	16.4	4063.5
S & L new mortgage loans closed&&& ($ mil.)	Dec 85	116.0	-47.6	101.5
9. SERVICES AND TOURISM				
Total service employment** (000)	Dec 85	114.2	6.2	113.5
Lodging employment** (000)	Dec 85	11.4	14.0	11.2
Eating & drinking places employment** (000)	Dec 85	35.9	5.6	35.8
Visits to state parks (000)	Dec 85	173.7	12.7	273.1
Visits to national parks/monuments (000)	Dec 85	75.5	12.2	81.5
Passenger traffic at Albuquerque airport@ (000)	Dec 85	336.5	13.2	294.8
Lodgers tax receipts ($ 000)	III 85	1995.1	N	
Lodging occupancy rates (%)	Dec 85	41.7	-14.1	50.9
10. GOVERNMENT				
Total government employment** (000)	Dec 85	134.4	1.8	134.6
Federal employment** (000)	Dec 85	28.7	-3.0	28.9
State employment** @@ (000)	Dec 85	48.1	4.8	48.3
Local employment** (000)	Dec 85	57.6	1.8	57.4
Total general fund revenues@@@ ($ mil.)	Dec 85	106.1	4.5	93.9

N Not available.
Note: selected data items subject to revision.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
Communications and utilities only.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,688 as of September 1985 according to U. S. Dept. of Energy, Public Affairs.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Employment Security Dept.: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy and Minerals Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
New Mexico Natural Resources Dept., Parks and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Parnell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* OCT-DEC	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* JUL-SEP
Alamogordo	$ 13,886	5.7	$ 14,057
Albuquerque	236,165	20.5	220,675
Artesia	5,994	15.8	6,271
Carlsbad	13,453	12.9	13,926
Clovis	15,335	3.9	15,586
Deming	4,277	2.6	4,763
Espanola	7,181	11.0	8,045
Farmington	30,524	10.0	28,825
Gallup	22,485	12.9	20,763
Hobbs	20,598	-4.4	21,752
Las Cruces	32,802	5.8	32,612
Las Vegas	5,631	13.3	6,270
Los Alamos	6,055	11.3	6,591
Lovington	4,063	-26.1	5,102
Portales	5,781	-3.9	7,035
Roswell	18,138	-4.1	19,093
Ruidoso	5,293	0.0	7,697
Santa Fe	46,206	16.1	47,503
Silver City	7,682	16.3	8,380
Taos	6,943	13.8	8,104
State total	640,198	11.4	641,598

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	DEC. 1985	DEC. 1984	CUMULATIVE TOTAL THROUGH DEC. 1985	CUMULATIVE TOTAL THROUGH DEC. 1984	DEC. 1985	DEC. 1984	CUMULATIVE TOTAL THROUGH DEC. 1985	CUMULATIVE TOTAL THROUGH DEC. 1984
RESIDENTIAL								
Alamogordo	19	15	252	398	$ 870	$ 393	$ 11,189	$ 12,439
Albuquerque	241	328	5,088	7,617	11,770	14,618	208,578	271,670
Carlsbad	2	3	76	109	151	79	3,837	5,413
Clovis	8	10	146	108	372	481	7,847	4,939
Farmington	8	9	135	162	240	319	4,816	6,237
Hobbs	1	0	35	50	95	0	2,386	4,034
Las Cruces	168	24	726	1,123	4,472	1,046	29,382	45,078
Los Alamos	7	6	112	221	802	755	12,226	11,834
Rio Rancho**	74	61	1,326	942	3,514	3,148	73,369	50,321
Roswell	5	7	102	173	423	270	5,712	8,444
Ruidoso	6	5	134	375	458	476	10,230	27,189
Santa Fe	20	227	597	1,290	1,274	3,752	27,056	49,212
NONRESIDENTIAL								
Alamogordo	14	4	121	134	311	11	2,410	5,050
Albuquerque	6	27	226	428	6,152	5,282	131,091	122,861
Carlsbad	2	7	148	196	5	69	2,508	1,883
Clovis	3	2	37	76	594	2,197	5,416	5,541
Farmington	2	1	38	21	135	42	3,536	2,880
Hobbs	3	1	16	24	303	31	2,320	5,308
Las Cruces	3	14	156	298	292	2,027	18,678	14,775
Los Alamos	1	1	35	70	0	15	156	552
Rio Rancho**	1	1	33	29	55	46	9,681	8,756
Roswell	6	7	124	193	47	501	1,540	8,330
Ruidoso	4	1	36	112	268	4	6,367	10,513
Santa Fe	14	7	188	158	177	381	35,611	47,166

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** AMREP reported data.

Sources: AMREP, Inc.: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**		
	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r
TOTAL CIVILIAN LABOR FORCE	652.6	2.4	653.7	245.8	3.2	244.4	51.4	4.3	53.1
Employment***	595.9	1.6	597.3	229.9	2.8	228.1	47.5	4.0	48.9
Unemployment	56.7	11.9	56.4	15.9	9.0	16.2	3.8	5.6	4.1
Unemployment rate (%)	8.7	10.2	8.6	6.5	6.6	6.6	7.5	2.8	7.8
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	526.9	2.9	526.0	224.6	4.6	223.7	38.4	5.3	38.2
Mining	20.0	-10.7	20.2	0.3	0.0	0.3	N	N	N
Contract construction	35.6	0.9	37.1	18.4	13.6	18.8	2.5	4.2	2.5
Manufacturing	37.5	1.1	37.7	19.3	0.6	19.4	3.2	-8.5	3.3
Durable goods	24.4	0.9	24.6	13.7	-0.7	13.7	1.4	0.0	1.4
Nondurable goods	13.1	1.6	13.1	5.6	3.8	5.7	1.8	-14.2	1.9
Transportation & public utilities	29.9	-2.2	29.8	12.4	2.5	12.2	1.4	0.0	1.4
Trade	129.7	6.4	127.6	58.7	4.9	57.8	8.3	13.7	8.0
Wholesale	23.1	2.3	23.2	14.2	1.5	14.3	0.9	12.5	0.9
Retail	106.6	7.3	104.4	44.5	6.0	43.5	7.4	13.9	7.1
Finance, insurance, & real estate	25.6	0.8	25.5	13.5	5.5	13.5	1.5	7.2	1.5
Services	114.2	6.2	113.5	58.1	6.7	57.7	5.5	7.9	5.5
Government	134.4	1.8	134.6	43.9	0.3	44.0	16.0	3.9	16.0
Federal	28.7	-3.0	28.9	12.2	0.0	12.2	4.7	4.5	4.7
State	48.1	4.8	48.3	13.0	1.6	13.2	6.2	3.4	6.2
Local	57.6	1.8	57.4	18.7	-0.5	18.6	5.1	4.1	5.1

N Not available, less than 50 jobs.
p Preliminary.
r Revised.

* Bernalillo County.
** Dona Ana County.
*** Includes labor disputes.

Source: New Mexico Employment Security Department.

New Mexico and Albuquerque Economies: A Comparison

Much of New Mexico's economic activity is concentrated in the Albuquerque Metropolitan Statistical Area (Bernalillo County) where slightly more than 30 percent of the state's population resides. Several situational factors encourage Albuquerque's dominant role. The city is centrally located at the crossroads of two major interstate highways and is home of the state's only major international airport. Albuquerque is also home of the University of New Mexico, Kirtland Air Force Base and Sandia National Laboratories. Several large electronic manufacturers have also moved into the area over the past few years.

Figures 1 and 2 illustrate the dominance of Albuquerque in the New Mexican economy. Approximately half of the state's 1985 employment in manufacturing, services and finance, insurance and real estate (FIRE) was located in Bernalillo County. Bernalillo County claimed almost half of 1983 statewide earnings in four major sectors—manufacturing, trade, services and FIRE. More than 40 percent of the state's total nonagricultural employment is located in the Albuquerque metropolitan area and earnings in the Albuquerque area account for more than 40 percent of total statewide earnings.

The composition of the Albuquerque economy is quite different from the rest of the state. Albuquerque does not have any mining activity to speak of and is less dependent on the government and agriculture sectors. Because of these compositional differences, regional disparity in economic performance has become even more pronounced over the past few years. It is evident from both employment and earnings data that there has been considerable variation in economic growth by sector. For example, from 1980 to 1984, earnings in the mining sector decreased 8.8 percent and farm income decreased 43.4 percent as compared to a 57.5 percent growth rate in the services sector during the same time period. Employment in the mining sector decreased 29.9 percent between 1980 and 1985 and government employment increased only 5.6 percent. Over this same time period, the service, trade and FIRE sectors experienced 23.1, 18.8 and 21.3 percent growth, respectively. Fig-

(Continued on Page 30)

New Mexico and Albuquerque

(Continued from Page 29)

ures 3 and 4 illustrate the growth disparity between Albuquerque and the rest of the state in both employment and income. Albuquerque's nonagricultural employment increased 20.1 percent from 1980 to 1985. In contrast, nonagricultural employment in the rest of the state increased only 5.7 percent. Between 1980 and 1983 income increased 35.5 percent in Albuquerque as compared to a 27.3 percent increase for areas outside of Albuquerque.

It is likely that Albuquerque's economy will continue to outperform the rest of the state. The depressed condition of the agriculture sector will continue to be a drag on New Mexico's rural economy. The weakened state of the mining sector will also have adverse effects on areas outside of Albuquerque. With layoffs in the potash and Molybdenum industries and falling oil and gas prices, the mining sector will suffer further declines. Finally, cut backs in government spending due to budget deficits will further exacerbate regional economic disparity, since the government sector represents more than 29 percent of nonagricultural employment outside the Albuquerque area.

Jule A. Urban
Economist

Figure 1

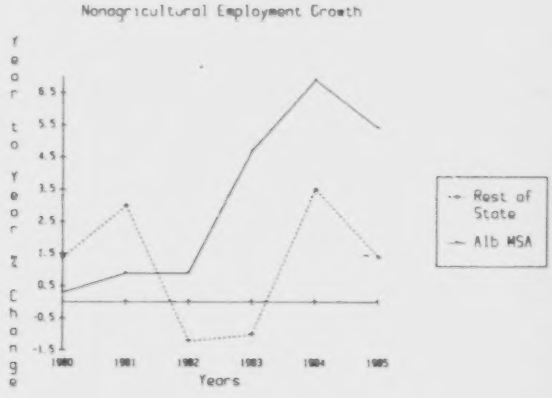


Figure 3

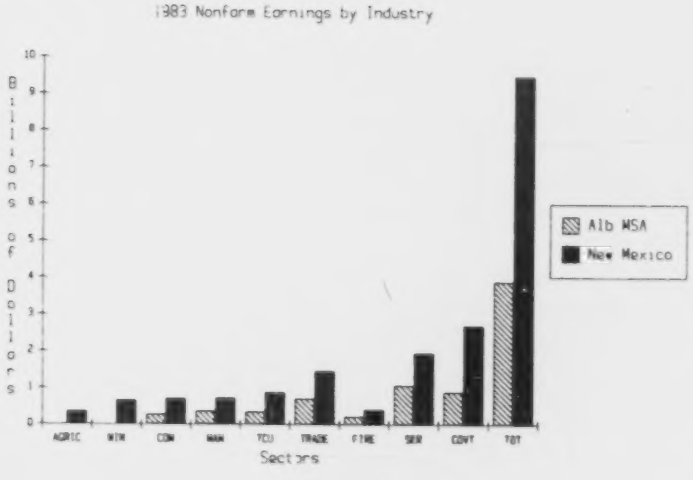


Figure 2

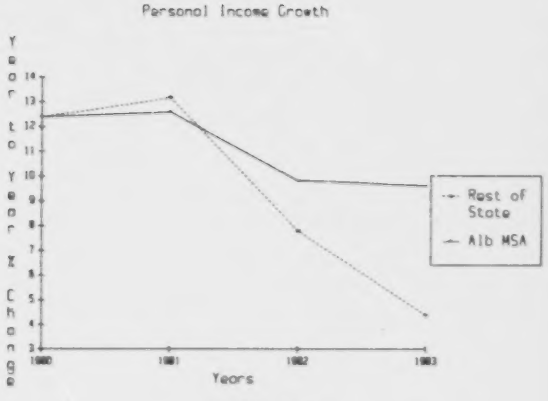


Figure 4

Job Opening at New Mexico Taxation and Revenue Department

Tax Research Director:

THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT, Santa Fe, New Mexico, is accepting applications for the position of Director of Tax Research. The successful candidate is expected to provide tax policy advice to the Secretary of the Department, supervise and conduct studies and technical analyses of tax policy issues, participate in revenue forecasting and supervise the publication of statistical reports pertaining to tax information. Applicants should have an advanced degree in economics with emphasis on public finance and a background in statistics. Previous public sector and supervisory experience is helpful. Salary is negotiable, depending on qualifications. Resumes should be addressed to: Vickie L. Fisher, Secretary, Taxation and Revenue Department, P.O. Box 630, Santa Fe, NM 87509. For further information on the position, contact James P. O'Neill, Asssistant Secretary, (505) 988-2290.

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Institute for Applied Research Services
The University of New Mexico
Albuquerque, NM 87131
(505) 277-2216

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